No.30,844

World News

Tuesday May 16 1989

African leaders meet in bid to end Angolan war

Eight African heads of state are meeting in Luanda to launch an unprecedented effort to end the 14-year conflict in Angola between the govern-ment of President Eduardo dos Santos and Jonas Savimbi's Unita movement. Page 4

PLO rejects poll plan The Palestine Liberation

Organisation rejected Israel's plan for elections in the occupied territories as a trick to usurp Palestinian rights and evade UN resolutions on Israeli withdrawal. Page 5

EC rights vote

European Commission is set to approve a plan for an EC charter of social rights flercely opposed by Britain, officials said. Page 3

US envoy recalled President George Bush recalled Arthur Davis, US ambassador

to Panama, to Washington for consultations. Page 6

Ligachev accuser

Mr Nikolai Ivanov, controversial prosecutor who has openly linked Mr Yegor Ligachev, the Kremlin's leading conservative, with investigations into corruption, has triumphed in run-off elections for the new Soviet parliament. Page 26

Israeli crackdown

The Israeli army destroyed four and sealed seven homes belonging to recently arrested Palestinians in a crackdown on attacks against suspected

Row over dam

Czechoslovak officials accused Hungary of violating interna-tional law by stopping work on a joint dam project and said Prague would seek compensa-tion. Page 3

President named

economist, became the young-est president in Yugoslavia's

Action Directe trial

Twenty alleged members of the extreme left group. Action Directe, go on trial in Lyon today for a string of killings bombings and hold-ups in the

Havel release appeal

A Prague judge will consider a request from Czechoslovak playwright Vaclav Havel for an early release from his eight-month prison sentence on charges arising from a week of anti-government protests.

Remote control jet Israel will unveil a remote con-

trol aircraft, designed for both war and peace, at the Paris air show next month.

London strike

Central London emerged rela-tively unscathed despite suffer-ing its worst disruption to pub-lic transport for years through 24-hour strikes by bus and train crews. Page 11

Korean protests

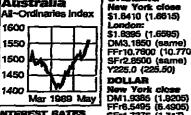
Thousands of people marched in Kwangju, South Korea, to protest against the death of a dissident student, rejecting laboratory tests that indicated he died by drowning.

Moscow drinks bill Soviet Union's drinking crack-

could be used to treat heart ailments. Page 22

down cost \$25bn a year in lost income, said leading economist Professor Nikolai Shmelyov.

MARKETS STERLING Australia



INTEREST RATES INTEREST RATES SF1.7375 (1.717)
US lunchtime Y137.175 (136.15)
Federal Funds 91, % London: (9 %)
3-mth Treasury Billsyield: 8.49% (8.467)
Long Bond: 10032
110032
yield: 8.83% (8.827)
London:
DM1.9420 (1.9190)
FFr6.5825 (6.4900)
FFr6.5825 (1.7175)
F7.17385 (1.7175)
Y137.20 (135.90)
GOLD

New York Comex June \$376.5 (378.9) close 1237% (same)

STOCK INDICES New York close Dow Jones Ind. Av. 2,463.89 (+24.19) New York close \$1.6410 (1.6615) \$1,6395 (1,6595) OM3,1850 (same) FFr10,7800 (10,7700) SFr2,8500 (same) Y225.0 (225.50) 315.92 (+2.08) London: FT-SE 106 2.149.9 (+14.2) DOLLAR

45.18 (Frl) Tokyo Nikkei Ave 33,716.29 (-150.04)

OIL Brent 15-day (Argus)

\$18.475 (+0.075) (June) West Tex Crude \$20,415 (+0.30)

Business Summary

Hanson posts 25.6% rise in first half earnings

conglomerate, unveiled a 25.6 per cent increase in first half profits before tax at £447m, but played down suggestions that it might soon being returning to the acquisition

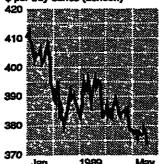
EGYPT and the Soviet Union yesterday signed a £120m (\$198m) "soft loan" agreement for the construction of a 600MW power station in the Sinai Desert. Page 7

York investment bank, is to launch a \$60m investment fund for Chile, according to Chilean Finance Ministry officials.

below the chart support point of \$375.00 led to stop loss sell-

Gold price

\$ per troy ounce (London)



its lowest level since August 1986, touching \$373.50, reflecting recent signs that

of its sales to power stations to protect a large section of its market from imports and of colliery closures. Page 12

biological substances which

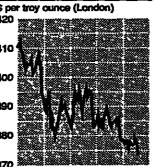
credit facility arranged by Manufacturers Hanover Trust.

SOUTH AFRICA'S foreign creditor banks have embraced an option in financing arrange ments which allows them to escape further negotiations with the South Africans and

HANSON, diversified

SALOMON BROTHERS, New

GOLD: Gold was fixed at \$373.80 in London, after a fall ing. The metal has traded at



Jan US inflation is under control

and the sharp rise of the dollar. BRITISH COAL is offering to slash the prices of 20 per cent fend off another heavy round

K MART, world's second biggest retailing group after Sears, Roebuck, reported a sharp decline in first-quarter income despite a small increase in sales. Page 22

est US company, is to cut 1,400 jobs and close factories in Georgia and Maryland to consolidate electrical conimment operations in its appliance division. Page 22

NEWS CORPORATION, Rupert Murdoch's international media group, surged higher on a strong Australian stock market, ahead of third-quarter results showing a continued improvement in trading profit and large extraordinary gains. Page 25

C ITOH, Japan's leading trading house, acquired a 20 per cent stake in the privately owned Welsh electronics concern Race Group, Page 12

HEWLETT-PACKARD's stock price plunged in heavy trading on news that the computer and electronics manufacturer is projecting lower than expec-ted earnings for the second quarter, which ends on April 30. Page 22

GENENTECH, US pharmaceuticals and biotechnology company, is to work with Kenova, small British drugs group, on joint studies involving new types of naturally occurring

BERGESEN, Norwegian ship-ping company, is raising \$150m through a five-year revolving

cease lending to the country by 1997. Page 4



Historic meeting in Peking as Soviet leader Mikhail Gorbachev (left) and Chinese President Yang Shangkun listen to the playing of national anthems at the start of the first summit meeting between the two countries for 30 years

Student protests mar Sino-Soviet summit

By Colina MacDougall and Quentin Peel in Peking

HUGE CROWDS of students yesterday scored a propaganda victory over the Chinese lead-ership by throwing into chaos the programme for the historic

Sino Soviet reconciliation.
Today's wreath-laying cere
mony at the Heroes' Monu ment in Peking's Tiananmer Square was cancelled las-night following a day of mass demonstrations in the heart α the Chinese capital.

The welcoming ceremony for

Soviet President Mikhail Gorb achev – attending the first Sino-Soviet summit since Nikita Khrushchev met Mac Zedong in 1959 – had to be moved to the airport, and his first formal meeting with the Chinese leadership postponed by two hours. His arrival at the Great Hall of the People ir Tiananmen Square was a hole and corner affair as his motor cade slipped through to a side

The disruption was caused by crowds of banner-waving students and their supporters estimated to number at least 100,000, surging backwards and forwards across Peking's cen-tral square. Peking's students have been demonstrating for freedom of the press and more democracy since the death of former party leader Hu Yao bang a month ago.

The disruption of the summit amounts to a humiliation for the Chinese leadership, although the protesters said they do not wish to tarnish an important international occasion for China.

President Gorbachev arrived at noon to the airport welcome which was to have taken place in Tianammen Square, with a guard of honour and a 21-gun salute. Confusion reigned throughout the afternoon over the precise time and place of Mr Gorbachev's talks with President Yang Shangkun.
Two hours late, his cavalcade
arrived by the back streets to
what is, in effect, the tradesman's entrance to the Great

The key talks of the summit will take place today when Mr Gorbachev meets Deng Klaoping, China's 84-year-old senior leader, and Zhao Ziyang, party general secretary. Yesterday's meeting set guidelines on which both sides wish the talks to proceed. talks to proceed.

Both sides stressed the need to put the quarrels of the past 30 years behind them. However, while President Gorba-chev talked about the summit as marking a "watershed" in relations between the coun-tries, his Chinese counterpart was more cautious, referring only to "the beginning of the normalisation of Sino-Soviet

In a welcoming banquet in the Great Hall, Yang noted that "Sino-Soviet relations traversed a tortuous course in the past. Today, we have come to a

new starting point."
Mr Gorbachev spoke positively about co-operation at all levels on political, economic and international issues. Mr Yang underlined Chinese determination to pursue an independent foreign policy. Mr Gorbachev also stress that "the improvement of Sovi-et-Chinese relations is not directed against any third country. In the final analysis, the entire world community stands to gain from that

A point of disgute emerged over whether Mr Gorbachev apologised and took Soviet responsibility for the confron-tation of the past 30 years. A Chinese Foreign Ministry spokesman said the Soviet leader expressed his regret for the past and admitted "to a certain extent we are responsible for that."

However, Mr Gennady Gera-simov, the Soviet spokesman, denied that his leader had apol-ogised. But, admitting that it could have been said outside his bearing he declared that his hearing, he declared that both sides had agreed "let the dead bury their dead."

...Mr Gorbachev obliquely commented on the disruption of the day, saying that every country had its own special problems but the new generation would be wiser. However, tion would be wiser. However, sonable halance between generations, "between the young servatism and the wisdom of the older generation."

Mr Yang told the Soviet leader that the Chinese people had "followed your reform with interest and wish you suc-Continued on Page 20 Summit details, Page 8

Peronists appeal for unity after election victory

By Gary Mead and Robert Graham in Buenos Aires

PERONIST candidate Mi PERONIST candidate Mr Carlos Menem, who swept to victory in Argentina's Presi-dential election on Sunday, yesterday called for national unity to help pull the country out of the hole in which it finds itself."

Unofficial final returns yes-

terday gave Mr Mensm 47.2 per cent of the popular vote against 37 per cent won by Mr Eduardo Angeloz, of the Radi-

cal Party.

Mr Menem and the Radical government of President Raul Alfonsin are under pressure to reach a quick understanding on how the country is to be governed over the next six months before Mr Menem takes office.

takes office.

Urgent economic decisions, as well as vital external negotiations on fresh financing of the country's \$60bm debt, have been held up by the election campaign, and the country is facing the possible return of hyperimilation.

However, Mr Menem, who is not due to take office until December 10, refused to commit himself on the sensitive issue of co-operation with Presense.

issue of co-operation with President Alfonsin.

Mr Angeloz conceded defeat within five hours of the polling stations closing on Sunday when it became clear that the when it became their that the Peronists had won not only a majority of the popular vote but could count on 317 out of 600 in the electoral college that will now formally choose the 46th president by August.

The swing to the Peronists almost precisely reverses the Radical victory in October 1983, when President Alfonsin ended 13 years of military dictatorships

tatorships.

Mr Menem, 58, said he would give support to the ruling Radical Government where necessary, but added that he would make it clear "that one cannot the ruling Radical Covernment where necessary is the covernment one cannot be said to be said co-govern when one doesn't know what is going on and when one can't guarantee effective management."
The other political parties fared badly, emphasising the virtual disappearance of any vote and the couso

dation of a two-party system. The elections also included 127 seats for half the lower chamber of Congress. The Peronists now look set to enjoy a major-ity which will enable their legislation to have a smooth pas-sage, unlike that of the outgoing Government. Victor stays aloof, Page 6;

tests ahead, Page 18

Dollar continues to rise in spite of intervention

By Ralph Atkins in London and Janet Bush in New York

THE DOLLAR climbed steeply yesterday against other major currencies, shrugging off central bank intervention and

trai bank intervention and closing in London at its high-est level against the D-Mark since December 1966.

The rise followed strong increases over the last two weeks, largely due to demand by investors and growing confidence about the ITS interest. fidence about the US interest rate outlook. The dollar's strength contin-

ued to undermine sterling, which fell to its lowest level against the US currency since October 1987. However, the pound was unchanged against the D-Mark, calming fears of a rise in UK interest rates to stop sterling depreciating. In London the dollar jumped

nearly 2% plennigs against the D-Mark, reaching DM1.942 at the close, and it rose to Y137.20 against Y135.90 on Friday. It closed in New York at DM1.9385 and Y137.175.

Most European foreign exchange markets were closed yesterday for Whitsun but the momentum behind the dollar's rise may also have discouraged large scale intervention by other central banks.

The strength of the dollar protected US securities mar-

kets from the profit-taking which would otherwise have seemed inevitable after Friday's surge which took the bond market more than two points higher and the Dow Jones to new post-crash highs. The Dow closed up 24.19 at 2,463.89. Volume was active although some of yesterday's

D 8523A

Dollar against the DM (DM per \$) against the Yen (Yen per \$)

120 1989 gains could be traced to pro-gramme trading related to arbi-trage with the futures market. The Treasury bond market was more cautious, with short-

lower. The yield on the bench-mark long bond edged higher to 8.83 per cent. UK equity prices also rose to another peak since the October 1987 stockmarket crash. The FT-SE 100 share index closed 14.2 higher at 2,149.9.

dated issues trading a points lower in late business, and

long dated bonds around in

In London, the pound ended at \$1.6395 compared with \$1.6595 at the previous close. Against the D.Mark it finished at DM3.1850: The Bank of England's sterling, itrade-weighted index fell 0.8 to 94.6. Slower US growth confirmed, Page 6; Money markets, Page 42; Wall Street, Pages 46; Lon-don Stocks, Page 35

Unwelcome visitors drop in on the Commission

COMPUTER hackers from South Africa, Switzerland, France and Britain have bro-ken into the European Com-mission's electronic files, writes William Dawkins in

Officials said they have tightened computer security since the discovery that hackdatabases for at least the past six weeks.

Files were found to have been entered regularly outside office hours. The security breaches appear to have been in infor-mation systems concerned

sensitive information would be those relating to the Euro-pean Community's external relations with, for example, South Africa, and to agricul-tural issues, from world pric-ing levels to domestic fraud.

The Commission's computer

systems seem undamae

files before ringing off, officials said. Moreover, the systems were altered to block unauthorised entry and the hackers appear to have stopped trying.

Nevertheless, one official admitted: "Clearly these are

the hackers appear to have

with foreign affairs, energy, not just boys playing around with personal computers. They agriculture and personnel. know what they are doing." The most likely repositories

THE POWER IN PROPERTY Healey&Baker 01-629 9292

Bonn calls for joint US-Europe effort in TV technology race

By Lionel Barber in Washington

WEST GERMANY is to propose formally today that the US and Europe join forces against Japan in the race to develop high-definition televi-

sion (HDTV). Mr Christian Schwarz-Schilling, West German post and telecommunications minister. will table the proposal during a meeting in Washington with Mr Robert Mosbacher, US Com-merce Secretary, who is lead-ing efforts to build a domestic HDTV industry.
HDTV, which gives sharper pictures than conventional TV,

is an emerging technology with widespread future application in industries such as computers, semiconductors, consumer electronics and defence. US industry estimates suggest that sales of HDTV roots early total \$100m model. sets could total \$40bn world-wide by the year 2010, with \$11bn in the US alone. A three-cornered fight has

erupted with Japan, Europe and the US all trying to develop their own standard for the new technology. The US

effort is lagging, while Japan has established a lead, prompting fears that it will consolidate its already dominant posi-tion in the TV industry and capture further lucrative electronics markets worldwide. Mr Schwarz-Schilling said he wanted the US to pool its resources and technology with

Europe: "We should not permit Japan to get supremacy in the

next generation of standards of television. It would be a mis-take if the US and Europe start their own development. We should sit down together." tion and the US electronics industry is belatedly trying to forge a common policy on HDTV. Last week, an industry group told Congress that it mould wood at least \$1.000.

The West German move comes as the Bush Administrawould need at least \$1,25bn in Federal aid if it were to build an advanced television capable of taking on Japan. Mr Mosbacher, who favours

tax breaks and anti-trust waivers to foster US industry col-laboration, reacted cautiously,

up the cash - an approach seen as a setback for the HDTV Ms Pat Hill Hubbard, vice

declaring that "Uncle Sugar"

would not necessarily stump

president of the American Electronics Association, said the West German proposal was "a bit premature, but very interesting." She said it was important, first, for the US Government and industry to agree a common policy and then negotiate from strength on issues such as common standards and licensing of

technology.
The US, recognising the technological importance of HDTV, has begun to back away from a preliminary commitment made several years ago to Japan to adopt its standard. NHK, Japan's government-owned broadcasting company, had offered to license HDTV technology to US companies, said Ms Hubbard. She characterised the West German proposal as a similar effort to woo the US.

CONTENTS Anxieties about retreat. haunt French industries



Proposed defence cuts have turned into a baltie of wills between Mr Jean-Pierre Chevenement, the Defence Minister, (left) and Prime Minister Michel Rocard. Mr Chevément is flercely resist-ing the depth of the

US: Anger at clampdown on ball-bearing China: Playing Peking's press game ... Editorial comments The poor are still here in Britain; The greening of England Argentina: Tests ahead for untried leader ... 18 Foreign affairs: Why all this fuss about the Lex: Dollar: marketmakers; Hanson: BICC:

Survey: Austria ... Financial Futures 42
Gold 34
Imernational bonds 26-27
Int. Capital Markets 26-27

هكذا من الأجل

EUROPEAN NEWS

Mitterrand to intervene in defence cuts row

By Paul Betts in Paris

PRESIDENT François Mitterrand is expected to intervene directly this week in the controversy over large reductions in the country's four-year FFr470bn (£44bn) defence programme which is currently dividing the French Socialist Government. He said he intended to address this sensitive issue during a news conference on Thursday when he will outline his defence and

It will be his first news conference since his re-election

last year and the initiative is clearly timed to coincide with the European election campaign and the forthcoming French presidency of the EC starting in July, when Mr Mitterrand will also host the summit of leading industrialised nations in Paris.

The debate on defence cuts

is straining relations between Mr Michel Rocard, the Prime Minister, and Mr Jean Pierre Chevenement, the Defence Minister who is fighting

posed by the Government. Mr Mitterrand acknowledged that there would be reductions in the original 1990-93 defence procurement programme but said overall defence spending would still increase. He added that he was auxious to avoid any steps which risked demor-alising the armed forces and undermine the country's

defence industry. Mr Mitterrand is also expected to use the news conference to comment on the recent con-troversial visit to Paris of Mr

Yassir Arafat, the head of the Palestine Liberation Organisa-tion, as well as discuss East-West relations before the Nato summit and his talks with President George Bush in Washington this month. He is also due to visit Dakar for the Franco-African summit, and

During his annual pilgrim-age to Solutre in Burgundy, Mr Mitterrand also urged the

French party political financing regulations to increase the ing regulations to increase the transparency of political life. Although the previous rightwing Government had introduced legislation in 1987, Mr Mitterrand argued that it had not gone far enough and had had only a limited impact.

He also indicated he would favour a reduction in the number of regions in France to ber of regions in France to create fewer but bigger regional entities which would be more competitive in the Europe of 1982.



Anxieties about retreat haunt French industries

Proposed spending cuts threaten a sector already suffering from declining exports, writes Paul Betts

HE controversy within the Socialist Government over cuts in France's four-year FFr470bn (£44bn) defence programme is causing anxieties for the French aerospace and defence industry at a time of declining military export orders.

The outcome of the budgetary dispute is expected to have crucial implications for the sector, which has climbed since the 1960s to third place in the western league behind the US and Britain, thanks mainly to its mili-

tary production.

It is also likely to accelerate the shift in the balance between the military and civil sides of the French aerospace business and heighten the urgency for further restructuring in

The issue of defence cuts has turned into a battle of wills between Mr Michel Rocard, the Prime Minister, and Mr Jean-Pierre Chevenement, the Defence Minister, who has palpably dramatised the debate during the

last few days to mobilise the industry against any cancellation in the 1990-1993 procurement programme.

Mr Rocard and Mr Pierre Beregovoy, the Finance Minister, have asked for cuts totalling at least FF150bn as a contribution to the Government's policy of budgetary rigour. Although Mr icy of budgetary rigour. Although Mr Chevenement has reluctantly accepted to make some reductions totalling about FFr20bn in the programme, he is fiercely resisting the depth of the latest proposed

The Defence Minister believes it is possible to trim FFr20bn without jeopardising the major elements of the programme, in spite of the risk of delays in the timetable of some new projects and a possible reduction in the volume of orders for specific equipment. But he warned last week ing about 25 Mirage-2000 jets from the



that the Prime Minister's latest proposals could lead to cancellations. An inspired front-page article in Le Monde last week identified four pro-grammes which could be threatened: the new Leclerc battlefield tank, the Charles de Gaulle aircraft carrier, the new generation Rafale fighter jet, and the Franco-German combat helicop-

The Defence Ministry has also decided to freeze the launch of new military programmes and reduce certain existing orders for equipment until the controversial issue of defence cuts is resolved.

The ministry has already indicated it intends to buy three instead of five Atlantic-2 naval reconnaissance aircraft from Dassault-Breguet this year, and the air force is considering buy-



same group instead of 33. The defence programme cuts are likely to make life especially difficult for Dassault-Breguet because of the group's heavy dependence on its military aircraft business. Indeed, the longer-term future of Dassault-Breguet hinges on the development and pro-duction of the Rafale advanced fighter

During the last few years, the group has been forced to embark on a major restructuring and rationalisation programme in the face of stagnant military export orders and only last month announced the closure of one of its large aircraft plants at Colom-

iers in Toulouse.
Although the Government has confirmed on several recent occasions its commitment to go ahead with the Rafale, the programme's future and

The issue has now turned into a serious battle of wills between Prime Minister Michel Rocard (right) and Defence Minister Jean-Pierre Chevénement (left), who has dramatised the debate in the past few days to mobilise the aerospace and

defence industry against the threat of cancellation of one or more of the major components of the four year procurement programme.

its timetable have remained clouded

its timetable have remained clouded with doubt, especially after the failure to find foreign partners.

Aerospatiale, the French state-owned aerospace group, is also relying essentially on its civil aircraft rather than its military operations for growth. Underlying the significant whift in the structure of the French shift in the structure of the French aerospace industry, Aerospatiale announced last month that for the first time the turnover of its civil aerospace activities had overtaken military sales last year and that this trend was likely to be accentuated

The latest figures of the French aerospace industry association GIFAS also show a steady decline of the weight of the military sector in the overall turnover of the indus-

accounted for about 64 per cent of industry turnover after accounting for as much as 73 per cent in 1980. But it declined to 56 per cent in 1987 and to 55 per cent last year of the industry's

overall turnover of FF183.9bn.

The shift is even more dramatic in export performance where the stagnation in big new military export orders has increased the industry's reliance on domestic defence programmes and

Military exports accounted for only 33 per cent of total French aerospace orders last year compared with 43 per cent the year before and 41 per cent in 1986, the year when civil export orders overtook military orders for the first time. In 1982, military export orders accounted for as much as 80

orders accounted for as much as au per cent.

The trend is also evident in the figures published last week by the French aerospace components industry with turnover in civilian business increasing to FFr8.2bn last year from FFr5.8bn the year before but military turnover falling to FFr14.7bn last year from FFr16.2bn.

Expressing the general concern of

Expressing the general concern of the industry as a whole, Mr Jacques Savoyen, a senior executive of the Thomson CSF state-controlled defence group, said the industry was carefully following developments in the pro-posed revision of the country's medi-um-term defence procurement pro-

gramme.

But as president of the association grouping the country's aerospace components suppliers, he added that the industry was not expecting any fundamental changes in the four-year defence programme and was confident that Mr Chevénement would fight "to the years and" to defend the fight "to the very end" to defend the major projects in the programme.

Opposition parties expose divisions on European policy

THE CENSURE motion tabled by France's right-wing opposi-tion parties, attacking the Socialist Government's Euro-pean policy, is scheduled to be debated in the National Assem-bly today But it has an far

dehated in the National Assembly today. But it has so far done more to expose divisions within the opposition than disconcert the Government.

Although the latter is well short of an absolute majority in the National Assembly, and thus in theory vulnerable to a censure vote, a defeat would require an improbable alliance between the conservatives and the communists. Such an alliance is doubly improbable because the purpose of the censure motion is to reproach the

because the purpose of the ceasure motion is to reproach the Government for being insufficiently pro-European.

In principle the right-wing parties have all declared their support for the motion, which has been signed by 21 Deputies from the Gaullist RPR party, 22 from the UDF centre-right umbrella grouping, and 20 umbrella grouping, and 20 from the UDC centrist party.

In reality, it marks a new episode in the power struggle within the conservative parties, between a group of young reformers and the established leadership. For the censure motion was launched at the initiative of the reformers, and, to the undisguised annoyance of their elders, they have retained control of it by an unorthodox manipulation of National Assembly procedure. The reformers launched their first challenge a month ago with a plan to lead their own list of candidates in the June election to the European Parliament. This open defiance of the negotiated agreement between the Gaullists and the UDF, to field a joint list headed by former President Valery

erupted when the young Gauli-ists meekly fell into line behind Mr Jacques Chirac and the old guard.
This week's censure motion is clearly intended by the young reformers as a way of recapturing public attention, as well as some of the credibil-

Giscard d'Estaing, collapse

just as quickly as it had

ity lost in that inglorious retreat. When the Gaullist party leaders decided to endorse the censure motion they assumed that their party group in the National Assembly would automatically have the right to lead the debate against the Government, and thus stiffe the impact of the reformers initiative.

Instead, the reformers are invoking a little-used procedure which permits an individual Deputy, rather than an official

ual Deputy, rather than an offi-cially-recognised party group leader, to lay a censure motion

leader, to lay a censure notion against the Government.

Mr Alain Juppé, secretary general of the Gaullist party, has condemned the reformers' unorthodox procedure, and it seems probable that Gaullist Deputies will have a free vote. The motion criticises the Covernment for not having

Government for not having done enough to enable France to meet the more competitive world of the European Single Market and for failing to take initiatives to secure concrete progress towards monetary union and a true security com-

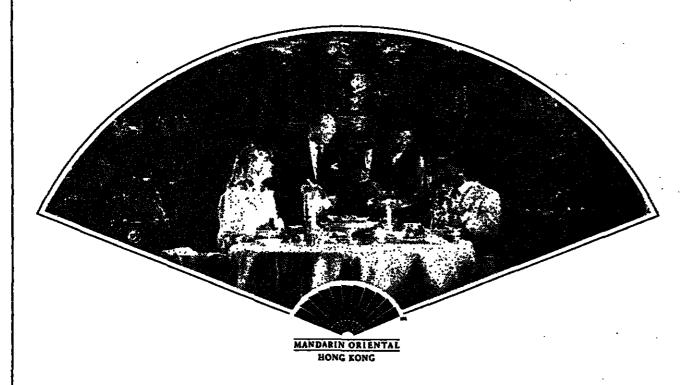
munity in Europe.

In reality, there is little doubt that the present Government is at least as genuinely committed to a European future as its conservative pre-

Moreover, the impact of a censure motion ostensibly sup-ported by all the right-wing opposition can only be under-mined by the fact that the con-servative parties will be divided in the European Parliament elections because they will be presenting two rival lists of candidates. The old guard of the Gaullist

party may have been able to whip the young reformers into line behind the list of candidates led by Mr Giscard d'Estaing. But the CDS centrist party, led by Mr Pierre Mehaig-nerie, has broken away from the conservative pack, and is fielding a separate list of its own, under the leadership of Mrs Simone Vell, former conservative minister and onetime President of the European Parliament.

Be part of the legend in Hong Kong.

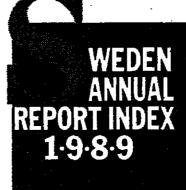


imagine anything that would impress makes us one of the finest hotels in Your second visit. Because reputation of the legend. we'll remember your name. We know you wouldn't Your favourite drink. Even how want it any other way.

After your first stay at many pillows you prefer. Mandarin Oriental Hong Kong It's this unobtrusive attention to you probably couldn't individual service that your more. But something will. the world and has earned us the

> MANDARIN ORIENTAL THE WORLD'S FINEST HOTELS

Kong "Jakarti", Macau - Maulia - San Francisco - Singapore - The Execusion Hong Kong (Associate - Your usuel agent, "McCanage Hards of the Mark", London O 800, 181-125 (will five), Frankfun (069) 290-471. Paris (19) 05-90-84-44 (tell free) or (will incrinational.



total approximately SEK 40 billion.

The STORA Group's profit after financial income and expenses improved 47% during 1988 to SEK 3,710 m (2,524). Income per share amounted to SEK 31.50 (20.40).

STORA is probably the world's oldest existing compar Through the acquisitions of Billerud and Papyrus, STORA has developed into the largest forest products company in Europe and is one of the leading companies worldwide in such markets as pulp, newsprint, fine papers, packaging paper and board.

STORA has forest holdings amounting to approximately 1.6 million hectars of productive forest land, and hydropower plants with an annual production capacity of about 3,800 GWh. These tangible assets provide the basis for forest products operations and also represent a substantial capital Swedish Match was incorporated into the STORA Group on May 1, 1988. The acquisition of Swedish Match is of great

strategic importance to STORA. The Group has gained an extensive consumer-products sector, with a broad inter-

national Group with sensitivity to general economic trends.

operations in some 50 As an integral part of the increased internationalization of countries, and a work-the Group, STORA shares will be listed on the London and force of 54,000 em-Frankfurt stock exchanges. Assuming stable development on ployees, of whom 29,000 these stock exchanges; the listings are estimated to be are employed outside implemented during November 1989. Sweden. Sales currently



favourable market condievel exceeding SEK 4.2 billion during 1989. The threat STORA is now less sensitive to cost trends in Sweden

| | _ | _ | |
|--|-------|--------|---|
| To find out more about the performance | e, di | rectio | ū |
| and prospects of some of Sweden's mos | t suc | cessfi | ď |
| corporations send for a free copy of the 1 | 988 | ahnu: | i |
| report of the corporations listed below. | | | |
| Please circle for your free copies: | | | |

ASSI CARDO EUROC FFV MoDo NOBEL INDUSTRIES SWEDEN PERSTORP PROCORDIA SANDVIK

SKANSKA STORA

| Attach you | | s card or n | |
|------------|---|-------------|------------|
| | - | | was britis |

| | Name | |
|------------|---------|--|
| ". .: . | Title | |
| ? | Company | |
| | Address | |
| | | |

Swedish Annual Report Promotion.

SWEDEN ANNUAL REPORT INDEX 1989

EUROPEAN NEWS

Thatcher defends Lord Plumb German diplomats feel Bucharest's wrath tough stance on UK 'sovereignty'

By Philip Stephens, Political Editor, in London and Tim Dickson in Brussels

MRS Margaret Thatcher, the British Prime Minister, yester-day set the tone of the Conservative platform for next month's European elections with a strong defence of her determination to retain sovereignty for Britain's parliament. In a clear response to the weekend attack on her policies towards Europe by Mr Edward Heath, a former prime minis-ter, Mrs Thatcher said that she remained intent upon resisting a "detailed bureaucracy of standisation and harmonisa"

Her comments came as a Her comments came as a growing number of Conserva-tive Members of Parliament voiced concern that internal devisions within the party over how to respond to pressures in Europe for much closer union could damage its chances in the June 15 elections.

-Many MPs voiced support for the more positively European approach set out by Mr Michael Heseltine, the former defence minister, in a book published yesterday, but others insisted that the Prime Minister should stick to her tough

stance. Those tensions are likely to be exacerbated later today when Lord Plumb, the Conservative president of the European Parliament, will use a speech in Lordon to dismiss spars that Britain's newborn fears that Britain's partners are set on the creation of a European "super state" In a generally upbeat account of the European Com-munity's recent development

Mrs Thatcher's vision of a Mrs Thatcher underlined her view that the completion by 1992 of the single European

and its future prospects, Lord Phimb will pointedly challenge

market could not be allowed to take away from parliament the power to run Britain's economy and taxation system. She said that she was a "European idealist," but that did not mean transferring key powers from London to Brussels.

She did not mention Mr

She did not mention Mr Heath by name, but Sir Geoffrey Howe, the Foreign Secretary, underlined the Government's anger at his remarks with a direct rebuttal of the charge that Mrs Thatcher had been "misleading the public."

Sir Geoffrey told a British Broadcasting, Corporation radio programme that. "It is a matter of great regret that a former Prime Minister, whom I was privileged to serve, should make that point about his successor who has done a great deal to shape the Europe for deal to shape the Europe for which he has worked so hard."

The Conservative manifesto for the European elections will be published next Monday, and ministers were acknowledging yesterday that it would represent a delicate attempt to bridge the internal tensions.

While there is a strong con-sensus in the Cabinet against the acceptable of a detailed and compulsory set of social poli-cies to accompany the creation of the single market, there are clear differences over full Brit-ish membership of the EMS. Against that background the manifesto is expected to repeat the bland formula that the Government will take starling into the exchange rate mechanism "when the time is right." The opposition Labour Party hopes to build on its recent success in the Vale of Glamor-

sation." gan by-election by_winning perhaps five or more European constituencies from the Con-New Yugoslav President

party officials. At Chatham House tonight Lord Plumb will insist that the EC's "principal achievements would have been impossible" without a pooling of sover-eignty, at the same time reas-

suspicious "is a necessary ele-ment in the achievement of a

set to add to Tory EC tensions

By Tim Dickson

LORD PLUMB, who is nearing the end of his term as presi-dent of the European Parlia-ment, will tonight exacerbate the tensions on European policy inside Britain's Conservative party in a speech to the Royal Institute for Interna-tional Affairs in London.

In a generally upbeat account of the European Com-munity's recent development and its future prospects, Lord
Plumb will pointedly challenge
Mrs Margaret Thatcher's
vision of a Europe "merely of
sovereign states," though he
will not mention the British
Prime Minister by name.
He will dismiss the fears
being fuelled in London of a being fuelled in London of a "centralised super state," remind EC member states of the commitment they have made to a "social dimension," and repeat his view that a single European currency is one day inevitable.

He will also argue that accountability in the EC will be improved only if the powers of the democratically elected European Parliament are

While Lord Plumb does not intend to personalise his remarks, his speech is bound to fan the fires of controversy stoked up at the weekend when Mr Edward Heath, the former British Conservative Prime Minister, accused Mrs Thatcher of misleading the British public over the EC threat of a "Socialist super-state."

Yesterday, Mrs Thatcher responded to Mr Heath's allegations by saying that she would not allow Europe to sink "into detailed bureaucracy of standardisation and harmoni-

Coming less than five weeks before the European elections. when Lord Plumb and other British Tory Euro MPs will be trying to present a united front on the hustings, the widening split in Conservative ranks is understood to be worrying

suring his audience that "national identities can and will flourish within the European Community.

He will also assert that the social dimension of which

By Judy Dempsey in Vienna A YOUNGER generation of sen by his native Slovenes in a

Teaders yesterday took over Yugoslavia's collective state presidency as the country faces one of its worst political and economic crises since the War. The presidency, the highest constitutional and defence body in the country, will be headed by Mr Janez Drnovsek, a 39-year-old economist from the liberal northern republic of Slovenia. He is the youngest official to hold the post of national President. League of Communists (Communist Party), in the running national President. . . : Mr Drnovsek, who was cho- of the economy.

first-ever direct popular vote, heads a presidency which consists of a representative from each of the six republics and two automomous provinces:

Air Drnovsek faces a number
of challenges, including institutionalising changes which
favour a more market-oriented economy, greater powers for the Government and less inter-

By Leslie Colitt in Buchgrest

RELATIONS between Western embassies in Bucharest and the Romanian authorities have deteriorated sharply recently. The West German embassy is the latest target of retaliation after its recent condemna-tion of Romania's human rights record. Previously, Bonn was reluctant to criticise Bucharest out of fear for the safety of the nearly 200,000 ethnic Germans in Romania. After a two-week delay, West

Germany last week confirmed the apparently unprovoked beating by a Romanian secu-rity guard of Mrs Julia Dree-

sen, the wife of the West German consul in Bucharest, while out walking near her home. Mrs Dreesen suffered severe head and leg injuries when she was hit with a two-way radio and kicked on the ground.

She was sent back to West Germany in a state of shock. Bonn lodged a vigorous protest to Romania, which refused to apologise.

The West German Foreign close that Romania subsequently accused a German dip-lomat of attempting to smuggle

explosives aboard a Lufthansa party principles. airliner at Bucharest airport. The charge was rejected as absurd by the West Germans.

Romanian pressure mounted after the West German Ambassador in Bucharest, Dr Klaus Terfloth, attempted last month to deliver a letter from Mr Hans-Dietrich Genscher, the Foreign Minister, to Mr Cornel Manescu, a former Romanian foreign minister. He was one of six prominent former officials lae Ceausescu, the Romanian President, accusing him of dic-

The ambassador was turned back by security officials and Mr Genscher responded by criticising human rights violations in Romania. Shortly afterwards, the car belonging to a West German diplomat in

Bucharest was badly damaged at night outside his home. Diplomats said there was little doubt it was the work of angered Romanian security officials who had followed him man-populated villages in western Romania's Banat region. The diplomat had suc-

cessfully thrown off his pursuers who, however, had the final word when he returned to

Bucharest. Other embassies in Bucharest have received similar treatment. Washington protested recently after an American diplomat was taken into custody and interrogated for trying to visit a signatory of the letter to President Ceausescu. The Dutch and British Ambassadors to Romania were prevented several times from see-ing signatories, most of whom have been taken to remote vil-

Britain to object over plan by Brussels to legislate on smoking

By William Dawkins in Brussels

BRITAIN WILL today object to Buropean Commission plans to curb smoking, the latest of sev-eral UK protests against the Brussels authorities' perceived efforts to extend EC social pol-icy into national territory. Mr Kenneth Clarke, the Health Secretary, will deliver the Government's criticisms at a meeting with his 11 EC Ministerial colleagues, but will fail to summon enough support to block one of the four schemes on the table, for minimum EC standards for cigarette packet

health warnings.
However, the Government's objections will add to tensions with Brussels inflamed recently by the UK's criticisms of two other Commission social policy plans - to boost foreign language education and to create a standard EC pensioners' identification card.

Downing Street sees them as questioning the Commission's ability to stick to pledges not to launch directives in areas where Community action adds nothing to what is already

being done at national level.

Britain accepts the principle that the Commission has the legal power to legislate on cigarette packet health warnings and tar content, two of the schemes before Ministers

today.

But Mr Clarke will argue that the content of the Commission's plans on labelling and tar content is too detailed and interfering. They would as a result undermine the UK Government's 17-year-old voluntary agreements with the cigarette industry, it is feared. The labelling scheme, which provides a list of acceptable

health warnings, and defines how they must be displayed, is expected to get Ministerial clearance today, despite Britain's problems. Greece is the only other objector, keen to defend its tobacco farmers, but the two countries are not enough to derail the plan. However, the Commission's proposals for EC cigarette tar

blocking minority, also includ-

limits will meet a substantial

ing France, West Germany and Denmark as well as Britain and Greece. It would set minimum tar content at 15mg per cigarette from 1992, falling to 12mg by 1995, too early for all objectors, except - ironically -

Britain will find less support for its protest against another Commission proposal to ban smoking in public places. Mr Clarke will argue that this is outside Brussels' powers, unlike the tar and labelling directives, which are seen as legitimate internal market

ments to take their own joint action, independently of Brussels. London will find Danish and West German support in objecting to a separate plan for an EC-wide campaign against heart disease, on the grounds that the results of an earlier anti-cancer scheme should be assessed before Brussels embarks on a new initiative of

Halting of work on dam angers Czechs

CZECHOSLOVAKIA has responded sharply to a decision by the Hungarian govern-ment to halt all work on the controversial Gabcikovo-Nagymaros dam by accusing Budapest of breaking international

The sharp response may be the opening broadside in a bitter and public dispute between the two Warsaw Pact states. "This is a one-sided step by the Hungarian government. Although it has the full authority to decide on its own territory, it contradicts a Hungarian-Czechoslovak contract," the Czechoslovak authorities said yesterday.

Agreement to build the dam jointly was signed by both gov-ernments in 1977. Prague fears that future energy output in the region will be greatly reduced following Hungary's

Yesterday, Rude Pravo, the Czechoslovak party daily, said that suspension of the project was being used "as an instrument for the opposition forces Hungarian decision.

in Hungary to cast doubts on past decisions by the country's leadership."

At the weekend the Hungarian government suspended all work on the dam, due to be completed by 1995, following a campaign launched by Duna Koer, or Danube Circle, Hungary's first independent envi-ronmental movement.

The group's experts had persistently claimed that the Nagymaros project was uneconomical as well as an ecological disaster. They showed, for example, that by diverting the river Danube 180 kilometres into a canal, the underground natural water filtering system

would be completely destroyed. Despite these arguments, work on constructing the dam was speeded up after Austria gave the Hungarian government credits and construction equipment in return for guar-anteed electricity supplies. Mr Franz Vranitzky, the Austrian Chancellor said at the weekend that he "respected the

TO CAPITALISE ON MARKET MOVEMENTS

YOU HAVE TO KNOW THE KNOCK-ON EFFECTS

The treasury department is the brain of any bank. But what good is a brain if it doesn't think things through. That's why, at Scandinavian Bank, we were amongst the first to fully integrate our trading

Such full spectrum expertise demands a multitalented management and staff. We recognise that movement in one sector has a knock-on effect. If all possible options are not investigated and other market movements anticipated, opportunities are going to be lost forever.

Both in the UK and internationally our treasury departments have earned a considerable reputation for in-depth local market knowledge, sensitivity to trends, consistency of service and an imaginative approach to new products.

It's not surprising therefore, that with this record of innovation we have grown to become Britain's eleventh largest bank. Indeed, in the past, we were amongst the first to exploit the potential in Interest and currency rate swaps. Where we lead, others follow.

Let's get together and make all the dimensions of the markets work for you.



The art of British banking Scandinavian style.

Scandinavian Bank Group plc, Scandinavian House, 2-6 Cannon Street, London EC4M 6XX. Tel: 01-236 6090 Telex: 889093 Fax: 01-248 6612. International Offices: Bermude, Cayman Islands, Geneva, Hong Kong, London, Los Angeles, Milan, Monaco, New York, Paris, São Paulo, Singapore, Sydney, Tokyo, Zürich

Governments urged to strive for greater monetary co-ordination

By Alan Friedman and John Wyles in Venice

MR Giuliano Amato, the Italian Treasury minister, yesterday urged European governments to strive for greater coordination of national budgetopening the Financial Times

conference on European bank-ing in Venice, Mr Amato also expressed hope that EC leaders would use their forthcoming meeting in Madrid to back pro-posals contained in the Delors report on European monetary

Mr Amato said the "original sin" of the drive toward European monetary union was the inability of governments to coordinate budgetary policy, although he acknowledged that it was much easier for central banks to work together on monetary policies than for elected governments and par-liaments of different countries to agree budgetary goals jointly.

name of

785

The Italian Treasury chief lamented the absence of Sterling from the European Monetary System (EMS), calling it a major anomaly and hoped that progress might be made at nies to act in concert to take Madrid in persuading the EK collective control of banks. progress might be made atto join the system, Mr Samuel Brittan, assistant

editor and principal economic commentator of the Financial Times, agreed with Mr Amato on the need for the UK currency to join the EMS but offered a stinging critique of the Delors report, which performed a disservice to the cause of monetary union."

Mr Brittan said the worst aspect of the Delors report was its venture "beyond monetary policy into a sort of economic imperialism, a search for policies which co-ordinate, above all in the budgetary and regional spheres."
Some of the Delors report's

suggested restrictions could leave national governments with less fiscal discretion than regional authorities in the US or Germany, Mr Brittan charged.

Mr Brittan was equally critical of Prime Minister Margaret Thatcher's refusal to join the EMS, saying that Britain might lose all influence over future

Mr Anthony Solomon, former chairman of the New York Fed, said that he hoped the sin-



EUROPEAN -BANKING

gle market would ensure equal treatment of firms from different countries. In particular Mr Solomon warned of the danger that European mercantilist tendencies might subtly discriminate against competition from non-

European corporations. Turning to the Italian banking scene, Senator Guido Rossi stressed the need to legislate strict rules to prevent industrial concerns from buying con-trol of banks and warned that the present law being dis-cussed in Rome does not yet address the loopholes that might permit industrial compasor Marie Monti of Bocconi University discussed Italy's strengths as a nation with the highest savings ratio

much of the domestic savings go to finance the runaway pub-lic sector deficit. Professor Norbert Walter, senior economist at Deutsche Bank, confidently predicted that the EC single market could expand productive capacity and provide the basis for lasting growth and employment. But a liberal trading policy, a firm and coherent competition policy and the "social dimension" were essential pre-

in Europe, but warned that too

conditions for these gains. Mr Win Bischoff, chairman of J. Henry Schroder Wagg, spoke - from his experience in a specialised, international finance house - in favour of the advantages of specialisation as a competitive response to the large multi-purpose

institutions. Mr Andrew Large, general manager and board member of the Swiss Bank Corporation, criticised the prevalent approaches to regulation of the The revolution in informa-tion technology was breaking down the barriers between institutions and markets. Therefore compartmentalisation of regulation into discrete sections of securities, banking and insurance "will not make sense in the future.

He urged the EC to learn from the UK experience of over-detailed regulatory draft-ing and to avoid doing the same for European securities

Assessing how Italian banks would adapt to the single mar-ket Mr Sergio Siglienti, man-aging director of Banca Commerciale Italiana, said they would generally benefit from

their previous protection. The arrival of foreign compe tition in their domestic markets would cut margins and drive some marginal banks out

Market share would be the most important competitive criterion in confronting foreign

competition.
Italian banks' foreign activities would be much less interested in retail banking than in providing corporate financing Italian companies,

Mr Francesco Paolo Mattioli, executive vice-president of Fiat, stressed the massive changes which have taken place in financial markets in the last 15 years in his analysis of the markets' efficiency. He thought that there had been an efficiency gain, at the expense of some stability.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors. F. Barlow, R.A.F. McClean, G.T.S. Dumer, M.C. Gorman, D.E.P. Palmer, London, Printer: Frankfurt/Main, Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE! 9HL. e The Financial Times Ltd, 1989.

190640, published daily except Sundays and holidays. US subscription rates \$365.00 per annum. Second-class post-age and at New York NY and at addi-tional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10072

Financial Times (Scandinavia) Ltd. Ostergode 44, DK-1100 Copenhageu-K. Denmark. Telephone (01) 13 44 41. Fax (01) 935335.

OVERSEAS NEWS

African leaders launch effort to end Angolan war

By Michael Holman, Africa Editor

EIGHT African heads of state are due to meet in Luanda today to launch an unprece-dented effort to end the 14-year civil conflict in Angola between the MPLA govern-ment of President Eduardo dos Santos and Mr Jonas Savimbi's Unita movement.

The initiative comes in the wake of the US-brokered settlement in Namibia, which links independence for the territory with the phased departure of 50,000 Cuban troops from Angola. As a result the MPLA faces the eventual loss of its Cuban allies, while South Africa's direct support of Unita, which was chanelled through Namibia, has ended.

Scheduled to attend the Luanda meeting, hosted by President dos Santos, are the leaders of Zambia, Zaire, Zimbahwe, Mozambique, Congo, Gabon and Sao Tome and Principe. The conference will also be discussing developments in Namibia where independence elections are due to take place in November.

Speaking in London last week, Mr Nguza Karli-I-Bond, Zaire's Foreign Minister, described the Luanda meeting as "historic." The leaders, he

said, would "discuss issues likely to bring lasting peace and reconciliation in Angola "in particular and to the subregion of southern Africa". He did not elaborate.

Unita officials have played down prospects for progress in

In a statement issued last week in Jamba, the rebels' headquarters in southern Angola, General Demostenes Chilingutila, Unita's Chief of Staff, called for direct negotia-tions with the MPLA.

He ruled out what he called "the African solution advo-cated by various African heads of state," which envisages Unita being incorporated into an MPLA government.

In mid-March Unita outlined its own proposals. These included a ceasefire, the reopening of the Benguela railway, direct talks with MPLA leading to the formation of a government of national unity, and multi-party elections within two years.

Mr Savimbi would not expect

to be a minister in a national unity government, but would lead Unita at the elections, say

K.K. Sharma in New Delhi looks at plans to enlist foreign assistance in primary processing projects SCARCITY of funds has reined in the development of the pet-rochemicals industry in India and so the country continues to be heavily reliant on imports of various polymers. Since this situation is straining the balance of pay-ments, an enlarged role for foreign companies is now envis-aged for the rapid installation of both crackers, large chemi-cal plants producing feedstock chemicals from oil, and down-

The main reason is that funds for public sector petrochemicals units are not available for four new naphtha or gas-based crackers needed since something like Rs200bn (\$12.6bn) will be required over the next five years if demand is to be met substantially from

stream units, secondary pro-cessing plants closer to the end

indigenous plants.
Since petrochemicals has been designated a "thrust" area (the only other one being electronics) and a major expansion in the control of t sion is envisaged, the Govern-ment's present thinking is that India's established large industrial houses should be encouraged to invest in crackers and downstream projects. These will need both foreign technology and funds and so a major role is envisaged for companies in Europe and the US.

Foreign companies are expected to be allowed to make



investments of up to 40 per cent of the capital, part of which will be in plant and equipment and part in equity.
To minimise demand on the limited funds available for what are highly capital-intensive projects, Indian companies are to be told that they must raise as much as they can from their foreign partners. A limit is to be put on funds that can be raised internally.

Word of the Government pol-icy has already got around and

tions from Indian companies for permission to take part in the plans for the growth of the petrochemicals industry.

India attempts to bridge the petrochemicals gap

"Everyone wants to set up a cracker. If they are uncertain about their chances of a cracker, they want down-stream units," says a senior official involved in the petro-chemical industry.

As of now, to the two exist-

ing crackers already estab-lished in India with capacities

The ICI plant at Kanpur, Uttar Pradesh, showing the naphtha steam reformer in the foreground. The need for further development of cracker plants to produce oil-derived substances such as naptha is becoming acute in India, prompting the Government to encourage investment from foreign compa-

nies. But even this will not meet demand for ethylene which is growing at around 15 per cent a year. of 300,000 tonnes of ethylene each, plans are to set up another two or three in the

another two or three in the next five years with similar production capacities. Since at least one will be given to the Government-owned Indian Pet-rochemicals Corporation, the private sector's share is expec-ted to be limited to one or two crackers and a number of crackers and a number of downstream units.

The Reliance group has already been given approval for one of the cracker sites at

Hazira in Gularat and nearly all the major industrial houses are bidding for the other two.
These will probably be located
in a south and north Indian
site, possibly Vishakakpatnam
in Andhra state – for which
the front-rupper is Mr Viiau

site, possibly vishatatapathanin Andbra state – for which the front-runner is Mr Vijay Mallya of the United Brewerles group – and Auraiya in Uttar Pradesh which will be probably remain in the public sector. Applications for their downstream units are already being made and pushed by other companies which are also lobbying hard for rejection of their rivals' applications. Names in the waiting list include such prominent ones as the R.P. Goenka group, Birlas, Singhanias, Thapars and Vijaya Mallya. These are apart from the Ambanis of the Reliance group, Mr A.C. Muthiah and Mr Aditya Birla who are already well on their way to setting up their own petrochemical complexes.

All these will still be insufficient to meet the growing

cient to meet the growing demand for ethylene and its offshoots. Current production is around 180,000 tonnes, mainly from a cracker run by Indian Petrochemicals in Gujarat state. Demand is growing at around 15 per cent a year and is expected to reach around 600,000 tonnes by 1990 and 1.2m tonnes by 1995, so considerable imports are inevitable even after the new crack-

ers are commissioned.

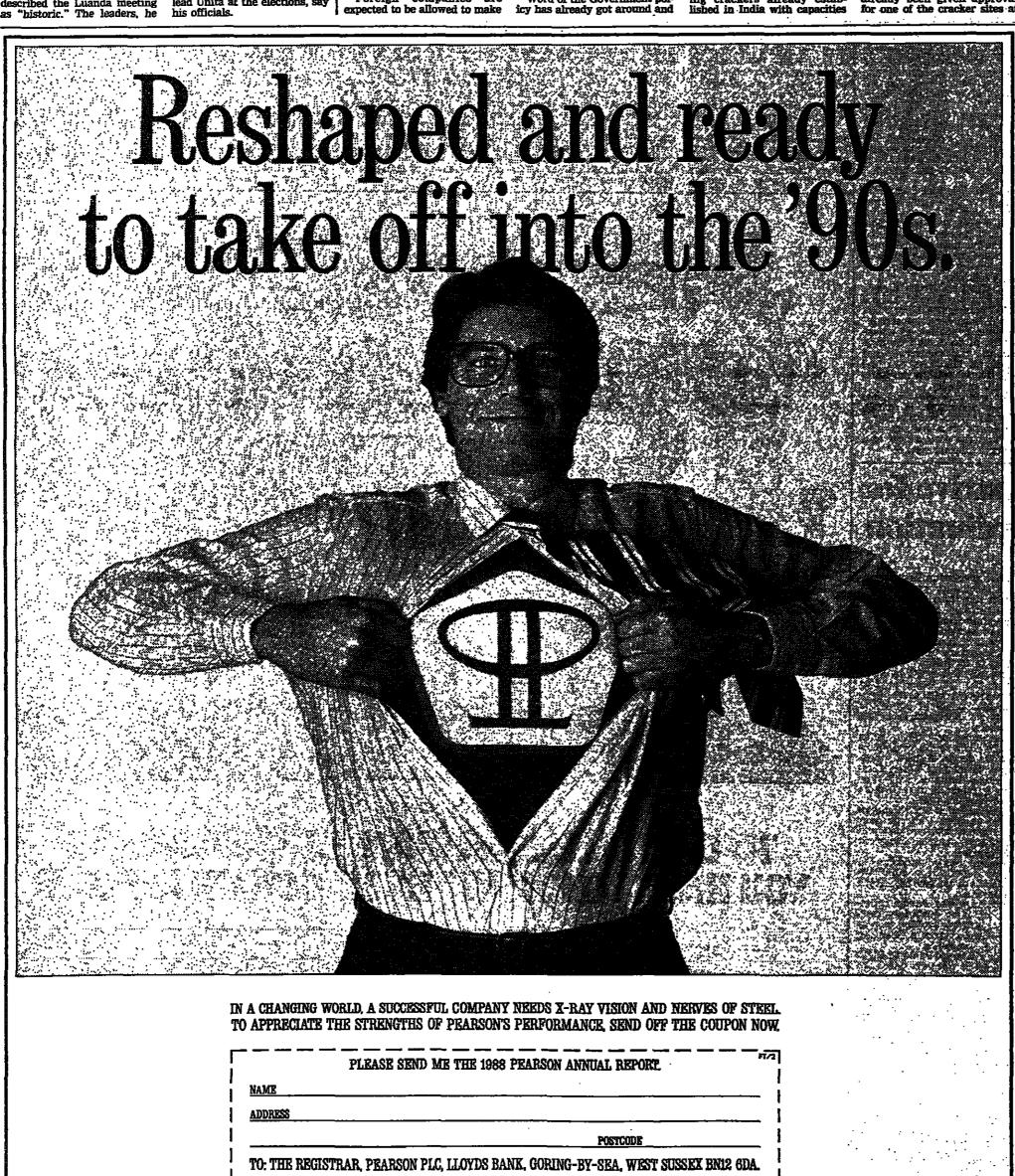
Part of the foreign exchange required is to be met by exports of ethylene to be produced from naphtha specially imported for the purpose. This has become possible following the quick approval of a Rs8.4bn, 100 per cent exportoriented cracker proposed to be established in Madras by the R.P.Goenka group with Linde of West Germany.

R.P.Goenka group with Linus of West Germany.

This has been followed by a similar proposal by the Reliance group for a Reston unit at Gujarat, based partly on imported naphtha. Technology for this complex is expected to be provided by ICI of Britain and naphtha for it will be obtained from an oil refinery to be set up by Reliance and be set up by Reliance and imports from south-east Asia. The Reliance proposal is expec-ted to get approval in the next

few weeks.

One of the main attractions of 160 per cent export-oriented units is that they can normally sell 25 per cent of their produc-tion in India. The Linde-Goenka proposal has, however, Goenka proposal has, however, has been approved and a letter of intent issued on the condition that a much smaller percentage will be sold in India. Similar touch conditions are expected to be attached to the Reliance proposal since the main reason for approving the projects is to earn foreign exchange for the country.



PEARSON

Israeli banks | Lenders take agree cuts in |up S African interest rates exit option By Stephen Fidler. Euromarkets

Correspondent

SOUTH AFRICA'S foreign creditor banks have embraced

an option in the financing arrangements the country introduced in early 1987, which allows them to escape further

allows them to escape further negotiations with the South Africans and to cease being a lender to the country by 1937.

According to bankers, banks have exchanged some \$3.5bn of loans for special exit securities which will mean they will not have to be involved in talks with the South Africans over a

with the South Africans over a

new financing arrangement meant to cover the treatment of its foreign bank debts from

per cent of the bank finance that falls within the net of the

interim arrangements.-

By Hugh Carnegy

ISRAEL'S banks have agreed to make early and substantial cuts in short-term interest rates to avert a threat by the central bank, the Bank of Israel, to use its powers to impose a cut in the cost of credit.

The Bank of Israel acknowl-

edges the move will cost the commercial banks, dominated by five groups, as much as shekels 500m (£162m) in after tax income this year. But it believes reducing interest rates will take the pressure off commercial borrowers in a period of economic stagnation and ultimately help to improve the banks' recent record of heavy loan loss pro- July 1, 1990. This is almost 25

The issue came to a head last week when Mr Michael Bruno, the Governor of the Bank of Israel, threatened to force a cut in rates for short term non-linked shekel loans from the present average of more than 36 per cent to 30 per cent if the banks did not do so voluntarily by June 1. The banks agreed to comply at a subsequent meeting with Mr

Unlinked shekel loans are one of the main sources of revenue for Israeli banks which are otherwise heavily constrained by restrictions on the proportion of deposits they can lend to customers. They also have to carry a heavy burden of government lending and borrowing, acting, in effect, as agents for the gov-

ernment at government deter-mined rates of interest. This has fuelled the tendency to charge a high return on those loans that are unrestricted - the present unlinked shekel rates are some 20 per cent ahead of inflation. To mollify the banks, Mr Bruno has agreed to consider

measures to ease the reside-tions on their activities and he

may cut the rate at which the

Bank of Israel lends to the commercial hanks. Bank profitability in 1986 was severely depressed by more than \$1bn of provisions made mainly to cope with had debts incurred by the Kibbutzim co-operative movement. But underlying provisions

were also at uncomfortably high levels, as they have been for the last three years.
The Bank of Israel is concarned to tackle such issues as the government is considering extricating itself from the majority shareholdings it acquired when rescuing the banks from a share crash in 1983 by some form of privati-

Citicorp, the biggest US bank, has converted substantially all its South African exposure \$666m - into the exit vehicle. Most of South Africa's main creditors are said to have taken at least some of the exit opportunities, and the window remains open for those that wish to make further conversion. But the banks' moves are likely to be controversial, since the exit vehicle promises no principal repayment for the banks in 1990 and 1991, a critical period when the country is due to make large amounts of

will see the conversions playing into the hands of the South African Government. Indeed, in South Africa, the conversion is being seen as an important breakthrough in the country's battle against economic assault from abroad.

In defending their decisions

principal repayments to bond-holders: Anti-apartheid groups

to convert, bankers argue:

While the bonds allowed a two-year period of grace for South Africa in 1990-1991, they believe it unlikely the next so-called interim arrangement will allow bank lenders to

receive principal payments in 1990-91 anyway.

Some believe that otherwise they would not be able to exit South African lending before 1997 before 1997. Many say the exit vehicle likely to be offered in the next

likely to be offered in the next arrangement will not offer such advantageous terms.

The exit vehicle allows the banks to receive principal repayments between 1987 and 1990. Then from 1992, the bonds are repaid over five years in equal semi-annual installments. Banks, normally paid a margin of % point over money market rates, can renegotiate the margin on the exit gotiate the margin on the exit vehcile of up to 1% point.

US-UK consortium plans waste plant in Morocco

A BRITISH and US consortium hopes to build the world's largest waste processing plant in Morocco to produce electricity and other useful byproducts, an official said yesterday, AP

Mr Pat Dolan, a director of the Midco consortium, said the group hoped to export 2,000 tons of waste from Europe and America to Morocco a day for processing at the plant, which would be unique in producing several hyproducts at once.

Disposal plants typically produce one byproduct and the largest in existence processes 700 tons of works.

700 tons of waste a day

make cement, he said. Midco has presented plans to Morocco's King Hassan, and if an agreement is reached it could build the plant in 18 months, Mr Dolan said in a telephone interview from his home in Saskatoon, Canada.

He was commenting on a report in The Guardian news-paper, which said it had been sent the Midco plans by a man who feared what the newspa-per called a lack of "proper The newspaper quoted a

man said to be a consortium employee as saying he believed the group did not have the expertise to carry off the proj-

MR Rajiv Gandhi, the Indian Prime Minister used the last day of the current session of the Indian Parliament yesterday to introduce an amendment to the constitution that has been denounced by his opponents as an election stunt, but which could radically transform the landscape of village India.

The proposed amendment puts local self-government on a permanent footing by making it obligatory under the consti-tution to hold elections to village councils and other district, institutions every five years. For the first time also it gives locally elected institutions considerable authority over the type of projects to be carried out and the financing of them.

Coming at the end of Mr.

Gandhi's five year tenure of office, the measure has been condemned by the opposition as electioneering. It also robs the opposition, which has long pressed for greater decentralisation, of a major plank of their election platform

In response to a confidently delivered speech in the Lok Sabha yesterday, a bewildered opposition said it was not opposed to giving more power to local councils but had strong objections to the means chosen by the Prime Minister.

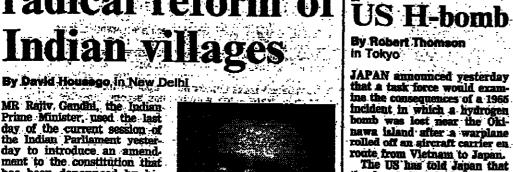
ders 🔃

In particular opposition MPs accused the government of try-ing to undermine the power of . state legislatures - where oppo-sition or regional parties are often in the majority - by channeling funds directly to

village institutions.

Nostalgia for a rural ladia conceived as a succession of self-governing "village republics" runs deep in the country's history and area nurtured by history and was nurtured by Mahatma Gandhi. The Prime Minister returned to this theme in his speech yesterday when he developed what will clearly be an election campaign theme of returning power to the people".

But local self-government has a dismal record because the local councils have been given insufficient powers, elections to them have been irregu-



Tokyo to

probe lost

Japanese Foreign Minister, announced the formation of

the task force. He described

the task force. He described the US account of the accident as convincing. The carrier was apparently on its way to the Japanese port of Yokosuka, which explains a reluctance to

discuss the destination, as the

presence of a nuclear-armed

vessel in a Japanese port violates the country's nuclear

turned by more powerful state assemblies. Of most concern to villagers, funds have been aphoned off by politicians and

The new measure provides for three tiers of elected local government - at village, district and intermediate level. They will be responsible for a wide range of development and povernment.

reserved for women.

Mr Gandhi said the new

measures would put an end to "the vice-like grip" that "power brokers" have obtained

on "power brokers" the machine politicians who run the Congress party - coincides with his drafting some of them back into the administration

The opposition also pointed out that Mr Gandhi's new turning state governments and postponing local elections as in Delhi

accused

lar, and they have been over

arty-alleviation programmes.
To prevent them being being dominated by local landlords, the scheduled castes (untouchables) will have seats reserved for them in proportion to their population. In addition 38 per cent of the seats will be

over the system.

for the election campaign,

found concern with local democracy clashes with the government's record in over-

PLO condemns Israeli poli plan

By Our Middle East Staff

THE PALESTINE Liberation Organisation responded coldly yesterday to detailed Israeli proposals for elections in the occupied territories, which were approved in the form of a 20 point plan by the Israeli

cabingt at the weekend. "It's quite clear that the PLO can't take the proposal seri-ously in any way," said Mr Jamil Hilal, director of the PLO information department in Tunis. "It's a ridiculous proposal." Other Palestinians cave a more nuanced response to the Israeli election plan, but they expressed several funda-mental objections which will have to be discussed with American intermediaries. The Israeli plan allows Palesto negotiate with Israel, but it rules out the idea of an independent Palestinian state in the West Bank and Gaza. One of Israel's principal aims is to end the 17-month old Palestinian uprising, which has embarrassed the Israeli government abroad and demor-

alised the army. "Israeli Prime Minister Yitzhak Shamir is playing for time," said Mr Bassam Abu Sharif, political adviser to Mr Yassir Arafat, the PLO chairman. "He is seeking a tempo-rary truce. . . We do not want

sive and permanent peace."...
PLO officials cited several conditions which they said Israel should meet for the organisation to approve elections, including an Israeli withdrawal from the occupied territories, international superantee that the elections and "transitional period" proposed by the Israelis should be part of an overall process leading to a comprehensive peace settlement and Palestinian

self-determination. Although such points do not vet constitute an official, to the the minimum the various Palestinians factions would accept for approving

Mr Ahu-Sharif has a relatively flexible position, but the left-wing factions and even some members of Mr. Arafat's mainstream Fatah group insist that a complete Israeli withdrawal and the establishment of an independent Palestinian state are non-negotiable.

Palestinians in the Israelioccupied territories yesterday greeted the new plan with a general strike in the West Bank and Gaza: 🧸 🐇

Leading Palestinian figures said Mr Shamir's initiative failed to meet their minimum demand, for an independent Palestinian state and so did not represent much progress in the they have been careful not to close the door completely on the plan, which allows the pos-sibility of limited self-ruled fol-lowed by an unspecified final settlement. This has left room for the US to try to bridge the gap between the two sides.

Palestinians acknowledged that the Shamir plan, with support from both his right-wing Likud bloc and the Labour Party, did represent an important gain for Israel in the bat tie for international backing after a period of diplomatic ascendancy for the PLO. That is why it is very difficult for Palestinians to say no to this idea," said Mr Daoud Kuttab, a prominent journalist. "That is

In Cairo Mr. Dennis Ross. special US envoy on the Middle East, welcomed Mr Shamir's elections proposals but said that more time was needed to study them. Visiting Egypt after talks in Israel over the weekend, Mr Ross said the election plan had "elements that can be built on".

why we have to try to fine

Haj may elude Iranians

By Victor Maliet

IRANIAN participation in the this year's Haj - the annual Moslem nilgrimage to Mecca appeared increasingly, unlikely yesterday following reports of increased tension between the governments of Iran and Saudi

For the second day running the Tehran newspaper Jomhuri Eslami accused Saudi Arabia's ruling family of blocking an agreement on Iranian pilgrims. At least 400 pilgrims, many of them Iranians, were killed in clashes between Saudi security

forces, and anti-Western demonstrators in Mecca two years ago, and last year Iranians did

Saudi officials say Iran has yet to send a delegation to discuss arrangements for its quota of 45,000 pilgrims, and it may be too late to make the necessary preparations. Iran wants to have 150,000 people on the Haj, but Saudi Arabia says the quota system applies to all pilgrims and is needed to ease the pressure on the holy sites

Prices put pressure on Japan discount rate

Speculation is mounting of interest rate rise to curb inflation, writes Stefan Wagstyl

ulation in Tokyo that the Bank of Japan is preparing to raise the Official Discount Rate for the first time since 1980 to forestall a possibie resurgence of inflation.

An increase of half a percentage point from the current

JAPAN announced yesterday that a task force would examine the consequences of a 1965 incident in which a hydrogen bomb was lost near the Okinawa island after a warplane rolled off an aircraft carrier en route from Metron. level of 2.5 per cent in the CDR is already discounted by most investment managers, according to securities brokers. Stock route from Vietnam to Japan. The US has told Japan that the bomb had leaked radio-active material but said there prices would react sharply only if the increase was three-quar-ters of a point or more. A growing number of anawas no danger. US research indicated that the nuclear sub-stances that spilled into the

lysts argue that the Bank of sea were heavy enough to stay at their present depth and would not escape to contami-nate a wider area. The accident has stirred con-Japan, the central bank, might have raised rates already had it not been afraid of disrupting the currency markets by weak-ening the US dollar. But the The accident has stirred con-cern in Japan about the proba-ble violation of an agreement not to introduce nuclear weap-ons to Japan and has prompted protests against the US military presence.

Mr Sousuke Uno, the recent rise in the US currency has eliminated much of the

Nevertheless, other analysts say the central bank may still not raise the rate. They point to the bank's concern partly about the possible impact of an ODR rise on rates in other countries, and partly about accurately measuring the true danger of inflation in Japan. The underlying rate of increase in prices has been obscured by the introduction last month of a 3 per cent consumption tax. Also, the Japanese Ministry of Finance, which is primarily responsible for both foreign exchange policy and for the new tax, is understood to be opposed to an immediate rise in the ODR.

Mr Soichi Enkyo, head of national economic analysis at the Bank of Tokyo, says: "The time is ripe for the Bank of Japan to raise rates but the Ministry of Finance is cautious

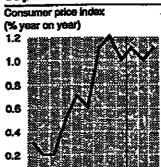
Nevertheless, a growing body of analysts believes the Bank of Japan's view will soon "The indications are that the Bank of Japan will raise the

ODR by the end of May," says

Barciays de Zoete Wedd, the securities arm of Barclays Bank, in a report. The central bank denies that it has changed its monetary policy in a way which would require an increase in the ODR. However, analysts have tected rising concern about

inflation in public statements by Mr Satoshi Sumita, the bank's governor.
In the wake of financial liberalisation in Tokyo, changes in the ODR have less direct impact on market rates than in the days when market rates were tied to the ODR. The ODR is now some 2 percentage points below short-term mar-ket rates.

Nevertheless, any increase would have a powerful symbolic effect, as a sign of an intention to tighten money



Japanese interest rates have already risen in the open market from 4.3 per cent for three month Euroyen deposits to 4.9 per cent – mainly in response to rising rates elsewhere. The central bank is worried that, if the yen stays weak, the gap between Japanese and US rates may force a rise in the ODR. Bank of Japan officials say recent signs that US interest rates are easing may give Japan a breathing space - but unless the yen rises once again there is a real risk of importing

The central bank's worries about inflation date back to last autumn when the year-onyear rate of increase in consumer prices exceeded 1 per

cant rate compared with most other industrialised countries, the Japanese authorities worry about the psychological impact of creeping inflation in a country where people are condi-tioned to stable prices for most things except real

In March, the last month for which figures are available, prices rose 1.1 per cent. However, the introduction of consumption tax on April 1 has been exploited by many traders as an opportunity for passing on price increases. This is espe cially true in consumer services - price increases in harber shops, for instance, have made headlines.

In the Tokyo area prices rose by 2.6 per cent over the month. The figure for the whole country is due to be published next

On the international side. the main concern is with oil prices, which have risen by nearly 50 per cent since the end of 1988. The success of Japan's manufacturing industry tends to obscure the country's almost-complete depen-dence on imported energy. But oil analysts in Tokyo

believe the worst may now be over - prices should ease over the summer as Organisation of Petroleum Exporting Countries increases production to offset losses caused by accidents in Meanwhile, the yen's recent fall against the dollar may also put pressure on industry's costs. Nevertheless, an increase in the value of the yen of about 8 per cent since the beginning of the year will not dent margins unduly. Industry will be under some pressure not to put up prices at the first opportunity, given the gains it made when the yen rose from

1985-87. worried about developments at home. It breathed a sigh of age annual wage increase was set last month at 5.1 per cent. However, this applies mainly for the permanent staff of large companies. There are frequent reports of labour shortag small enterprises, especially on building sites and in restaurants, shops and bars. Con-struction materials are also in

short supply.
Nevertheless, there are signs that the economy is continuing to slow after spectacularly rapid growth in the middle of last year. Industrial production in March was up 8.7 per cent year-on-year, compared with a 10.9 per cent rise in the year to

March 1988. This means the pressure on prices should ease - even though economic growth remains strong by the stan-dards of most industrialised

Ree With Philadelphia. Aireturn to Philadelphia. (Or L.A. New York Boston..)

I WA is giving away free ceburn economy. tickets to the States. (Not just to Philadelphia non-stop but to other destinations besides). To claim this free ticket, all you have to do

is purchase a full fare return TWA transatlantic First or Ambassador class seat in the UK and travel between now and 31 May 1989.

You can then use the free Economy ticket

thes not court local airport taxes and charges which will be levied when thus reservation is made. All trevel mass commence and return in UK. Certain other conditions may apply to this offee please ask for details. Offer subject to Gos

(subject only to Airport taxes and charges) any time before March 18th 1990.

... For further information and reservations, see your travel agent or call TWA on 01439 0707.

For the bar of America

HSA. The Hospital Saving Association has been chosen by over 4,000 companies Why? Because the country's leading Family Health Care Cash Plan offers excellent benefits to both staff and company.

The HSA Cash Plan is very easy to implement. Companies simply provide a pay-roll deduction facility and leave the rest to us And since we deal directiv with the members.

management find administration time is minimal. Our Corporate Clients enjoy the benefits of a highly motivated, well looked after workforce, which in turn encourages more successful recruitment Their staff are enjoying a wide range of CASH benefits - all for a small weekly payment. You'll be in healthy company if you fill in the

British Airways

coupon today.

Arthur Guinness, Son & Co.

Brooke Bond Oxo Chubb Fire Security Ltd

Ford Motor Co.

Heinz H.L.& Co.

The Nestlé Company Sunblest Bakeries

Heathrow Airport Ltd Pringle of Scotland

London Regional Transport

Smiths Industries Ltd Reed Paper Group

Jecco Aircraft Services

Coca-Cola Schweppes Selfridges

The Electricity Boards

The Gas Boards

Jaeger Knitwear

W.H.Smith & Son British Telecom

Hertz Sanderson Fabrics

Wilkinson Sword Group

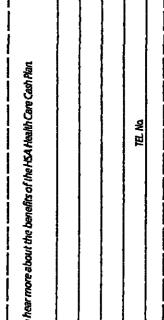
The Metropolitan Police

The Civil Service Department British Broadcasting

Corporation

Hospital Saving Association, Hambleden House, Andover Hants SP10 1LO.





Argentine victor

stays aloof

By Gary Mead and Robert Graham in Buenos Aires

LIKE a true actor, Mr Carlos
Menem knows how to keep his
audience waiting without disappointing them.
in the wings until the stage
was fully cleared for a triumphal entry into Buenos Aires.
This could take place today or appointing them.

Yesterday, he stayed away from the Argentine capital, Buenos Aires, savouring his victory in the presidential elec-tion of the previous day, refus-ing to alter a previous engagement for a giant barbecue in the provinces. The invitations were sent out to "Meet the President", even as the polls opened on Sunday morning.

tomorrow. Such is his confidence in his own messianic role he can afford to take his

Two days before the election an elaborately scaffolded podium was erected outside the Peronist party's election night headquarters in the main boulevard of Buenos Aires. The ruling Radical party of Presi-

| Mr Menem preferred to stay | dent R | aúl Alfonsin w | as rightly |
|-----------------------------------|--------|----------------|------------|
| ARGENTINE ELE | CTORA | L RESULTS | |
| Party | 1983 | 1987† | 1989 |
| Popular vote (%): | | | |
| Peronist | 40 | 41 | 47 |
| Radical | 52 | 37 | 37 |
| Others | 8 | 22 | 16 |
| Electoral college seats*: | | | |
| Peronist | 259 | | 317 |
| Radical | 317 | | 232 |
| Others | 24 | | 51 |
| fillid-term legislative elections | | | |

Tim Coone assesses a potential confrontation in Central America

Washington's envoy leaves Panama

MR ARTHUR Davis, US ambassador to Panama, returned to Washington yesterday, having been recalled for consultations by President George Bush.

Before his departure, he told reporters, "I will return to Panama when conditions permit the reestablishment of normal relations between the United States and a legitimate government in Panama. I will con-tinue to work for the creation of a free and democratic Pan-

Short of breaking diplomatic relations, this is one of the strongest diplomatic measures the US can take in its fight with the regime of Gen Manuel Noriega, Panama's strongman, and signals a further deterioration in bilateral relations.

Asked if there was any truth

Defence Forces take care of it internally". A general strike and

national protest is being sought by Panama's opposition leaders for the same day.

The opposition is calling for a recognition of its victory in the May 7 general election, in which according to independ which, according to indepen-dent observers, the opposition won by a three to one margin.

in stories that he was behind

an alleged plot to put poison in the general's food, Mr Davis said: "No, but it's not a bad

Refusing to comment on the possibility of a US military intervention in Panama, if dip-

lomatic efforts were to fail to

remove the general, Mr Davis said: "It is not my decision. The best solution for Panama

would be that the Panamanian

AMERICAN NEWS

ms triumphant: Carlos and his wife Zulema gaze into a troubled future

cautious in its preparations for Mr Menem had been due to make the two-hour flight from his native La Rioja – the north-western Argentine state where he is governor — on Sunday evening. As the first results became known, at about 9 p.m., groups of Peronist supporters, with blue-and-white Argentine flags wrapped around themselves, began to congregate in front of the Peronist open-air theatre.

The capital's streets, oddly

The capital's streets, oddly silent throughout Sunday, began to resound with victory hoots from cars. Partisans of other parties, fearing trouble, left the streets to the Peronists,

Slower US

confirmed

By Anthony Harris in

REAL US industrial output

rose by 0.4 per cent in April, according to Federal Reserve

figures released yesterday, but the earlier estimate for March was revised down to a rise of

only 0.1 per cent. The year-on-

year growth figure is now 4.2

per cent, confirming other signs of slower growth.

Industrial output was up more than 5 per cent year on-year earlier this year.

The rise was slightly more than market economists had

forecast because of the March revision, but the new level of

the index at 141.1 was slightly

below expectations, and there was no market reaction. The

figures are likely to reduce

any pressure for policy change at the Federal Open Market

Committee meeting today.

growth

Washington

They shouted "Perón Perón, They shouted "Perón Perón, how great you are!" in ritual salute to the late founder of their movment, Juan Domingo Perón. Leaping brio the air, the enthusiasts yelled: "If you don't jump, you're a Radical!".

They were not disappointed when, at about midnight, it became clear that The Presence was not going to appear.

ence was not going to appear. Governor Menem's first loyalty was to the provinces.

The subdued sense of festivity was in marked contrast to the evening in October 1983, when Mr Alfonsin swept to vic-

tory amid euphoric scenes that put 13 years of military dicta-torship behind Argentina. He changed the cast and the play;

Mr Menem will simply start a

new episode, when he assumes office in December. Yesterday, another and more familiar crowd was to be found in Buenos Aires — outside the office of the money-changers. Mr Menem, a Catholic convert from the Islamic religion of his

immigrant forebears, has promised to rid the country of isury and financial specula Whether or not the money

changers believed their temple was to be overturned, they were still doing roaring business yesterday, elections or no election, and Argentines in the capital still showed their stron-ger faith was in the dollar.

Bush seeks crackdown on firearms-related crimes

By Peter Riddell, US Editor in Washington

carried in firearms and an expansion of the US federal prison system were yesterday proposed by President George Bush in his long-awaited anticrime package. He also intends to make per-

nanent a ban on imports of semi-automatic assault rifles not for sporting purposes. But, after pressure by the gun lobby, he has decided against any han for similar domesti-cally produced weapons, which account for three-quarters of those in private hands. An offi-cial said the president did not want to become mired in a "fruitless debate" about how to

define assault weapons. In response to calls from police officers, the Administration is proposing legislation to ban the manufacture or sale of gun magazines containing

TOUGHER penalties for more than 15 rounds, because firearms related crimes, curbs such large magazines are comon the amount of ammunition mon in criminal use of assault

The proposals represent a compromise on guns, Congressional leaders having warned that the anti-crime package could face problems if sugges-tions were included for nationwide registration of all military assault rifles. The pro-gun National Rifle Association has stepped up its lobbying after imposition of the temporary han on imports of such weap

The package stresses stiffer penalties and increased resources for law enforcement. Mr Bush has urged doubling the current five-year minimum sentence for using a semi-auto-matic firearm in a crime, and extension of the types of mur-der subject to the death pen-

World Bank urged to boost backing for privatisation

By Peter Montagnon, World Trade Editor

THE WORLD Bank should put more resources towards supporting privatisation of stateowned enterprises in the developing world, as part of a general effort to boost the role of the private sector in develop-

This is one of several recom-This is one of several recommendations from a special group set up last year by Mr Barber Conable, bank president, to review policies towards the private sector, and which brought together leading international business people and senior bank officials.

The recommendations have been published by the bank in a report, Developing the Private Sector. Mr Conable said it "describes the framework and sets the agenda for the world.

sets the agenda for the World

Bank group in private sector development."

Among other proposals are that the bank should expand its lending programme in sup-port of financial market reform in its client countries, that it should do more to promote local capital market development, and that lending to national development finance institutions should be reviewed because its record is "at best mixed."

The report also says that the International Finance Corpora-tion should be promoted as the

main bank group vehicle for the direct financing of private sector industrial projects, that the bank group should work to improve the climate for small business in developing countries, and that the IFC and the new Multilateral Investment new Mutalateral investment Guarantee agency should strengthen their efforts to pro-mote direct investment in developing countries. Underlying the report is the bellef, which the bank notes

has grown in the 1980s, that nas grown in the 1960s, that boosting the private sector through the right macroeco-nomic and regulatory back-ground plays an important role in development. Even the state-planned countries are now showing a greater interest in market-oriented economic policies and the introduction of competition to their econo-

mies, it says.
On privatisation, the report notes that thin local capital markets, resistance to purchases by foreign and minority investors, difficulties in setting a sale price, political obstacles and labour opposition are all impediments to privatisation. The bank needs to improve its advisory capacity, it concludes. Basic financial market

reform is essential, meanwhile, for a return to solid growth, it

G7 in debt cut talks

By Stephen Fidier, Euromarkets Correspondent

countries and representatives from commercial banks met yesterday in New York to discuss proposals for the reduc-tion of Third World debt.

The G7 people and the banks, members of the Baker Initiative Committee, were expected to meet in all-day session, but officials have been keen to stress the purpose of the meeting was not negotia-tion but an exchange of ideas. In his March speech, calling

SENIOR officials from the for a new approach to the debt cross, Mr Nicholas Brady, US countries and representatives Treasury Secretary, suggested that efforts be made to reduce the regulatory, tax and accounting obstacles to voluntary debt reduction.

However, the US Internal Revenue Service, a Treasury department, has been criticised for a tax ruling, delivered early this month, which would severely limit the willingness of US banks to take losses on their loans to developing coun-

Tension rises by the canal

WO contrasted images frontation is high. Mr Bush at the weekend

One was the serene sight off-shore of giant oil tankers and bulk grain carriers tugging gently at their anchors, waiting their turn to pass through the Canal. The other was lorries of riot

police cruising the streets, anticipating trouble, and on the other side of the Canal, feverish activity at the US Air Force's Howard Base as troop reinforcements were brought in aboard huge C-5 and C-141 transport aircraft in prepara-tion for a possible confrontation with the Panama Defence Forces (PDF). A stream of American cars

stopped momentarily at the checkpoint of Fort Clayton, and then passed into the US army base. All US soldiers and their dependants living in Panama City have been ordered by President George Bush to move into the protection of US military installations.
"We emphasise that this is

not an evacuation," said a US military spokesman at the headquarters of US Southern Command (Southcom) in Panama. "It is a situation that may last for a day or so; it may be 10 or more."
The Panamanian crisis

appears to be nearing its dénouement. General Manuel Noriega, the local strongman, was served notice by the US president last Thursday that he must step down or face the

consequences.

The arrival by air and sea of an extra 2,000 US combat troops, with their armoured vehicles, to reinforce the 10,000 already based in Panama, and a promise or more to come if necessary, is an unequivocal message. The diversion of an aircraft-carrier towards Panama recalls memories of the 1983 Grenada invasion. The

stage is set for an intervention. Whether there will be an armed clash depends on whether intense diplomatic efforts around the world achieve the objective of persuading Gen Noriega to quit as head of the PDF. Mr Bush said last Thursday that this would bring about an immediate normalisation of relations with the US. The electoral fraud a week ago and the subsequent violence unleashed against the opposition has left the general

solated. If diplomatic efforts fail, the PDF itself might decide to oust its commander. The loyalty of PDF officers to Gen Noriega remains an unknown. Mr Bush made an urgent appeal on Saturday for the PDF and the Panamanian

people to act against the gen-If other options fail, however, the likelihood of a conments are being sent to Pan-ama to protect American lives and "to assert and enforce US Treaty rights under the Panama Canal Treaties".

A military spokesman at Southcom claimed that, since February 1988, there have been 1,200 treaty violations by the PDF. These included unauthorised stoppage and detention of US military personnel travel-ling in Panama. The treaty stipulates that vehicles of the US armed forces may move freely in Panama on official

Aggressive enforcement by Southcom of these rights began at the weekend by the running of military convoys between defence sites. One western diplomat said: "The Americans are sick of having their noses rubbed in the dirt

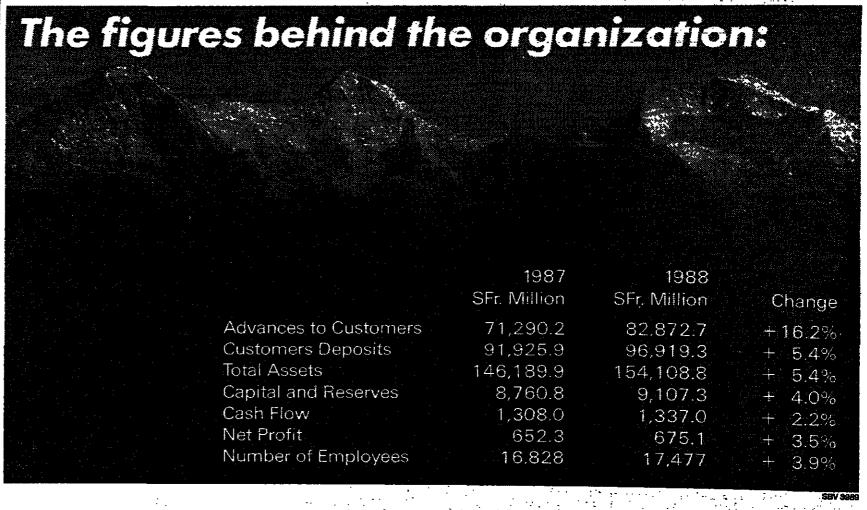
and are itching to hit back".

Brigadier Mark Cianeros, head of operations at Southcom, last week made clear in a letter to Gen Norlega that any injury to US citizens resulting from the current tension would be viewed "extremely seriously". That has to be seen alongside threats by the Pana-manian "Dignity Battalions" to carry out terrorism against US citizens in Panama. The trigger for a confrontation is set to be

f the PDF chose to stand and fight, its 15,000 troops (which includes police, paramilitaries and support personnel) could pose a serious problem, even to a hugely superior US force. It would be relatively easy for them to sabotage the Canal. The 41,000 US citizans living in Bonome. citizens living in Panama would also be an easy target for hostage-taking. The PDF, lacking heavy weapons, would most likely disperse and fight a

guerrilla war. Policing after an intervention might prove a military and political quagmire. The unofficial results of the May 7 elections gave 30 per cent sup-port to the government candi-date - more than adequate to provide the social base for a guerrilla movement. If a new police force and army had to be built from scratch, US forces would be required to police the country, involving a commit-ment of tens of thousands of US troops.

Although a military intervention might provide a tempting, quick solution for a US government sick of the Panamanian crisis, it is plagued with risks, not to mention huge political repercussions elsewhere in Latin America. Having grasped the big stick in its war of nerves with Gen Noriega, the US is now faced with the ugly consequences of using it if the threat were



The organization behind the figures:

Powerful international network

Nearly 120 years of experience in

domestic and international business

Long tradition of customer support

Triple-A rating

Leading international reputation

Swiss Bank l Corporation Schweizerischer Bankverein

The key Swiss bank

Société de Banque Suisse

General Management in CH-4002 Basel, Aeschenplatz 6, and in CH-8022 Zurich, Paradeplatz 6.

WORLD TRADE NEWS

rage. How can a domes-

been found to be selling bear-

ings at less than fair market value, is not only one of the largest auti-dumping suits

affecting annual imports of some \$650m. Just as the US

action two years ago against

Japanese semiconductors brought an outcry from users,

the bearings case has also

unleashed a storm of protest from consumers. Some say

they will press for the trade law to be changed because it

Among their claims are that companies should be allowed

to bring dumping cases cover-

ing only products they actually manufacture, that the effect on

users should be formally taken

into account when determining injury to the domestic pro-

ducer, and that the methodol-

ogy used to calculate dumping

margins should be changed to make it more objective.

looks straightforward. The fig-ures in the accompanying table

show clearly why the Interna-tional Trade Commission, the

On the surface, the case

ignores their interests.

Soviet Union and TI plans Egypt sign Sinai power plant deal

EGYPT and the Soviet Union yesterday signed a £120m "soft loan" agreement for the construction of a 500 MW power station in the Sinai Desert, in a further indication of renewed growth in economic ties between the two countries.

The agreement for the Ayun Musa power station was initialled by Mr. Konstantin Katushev, Soviet Minister for Foreign Economic Relations, and Dr Morris Makramaliah, Egypt's Minister of International Co-operation.
It follows confirmation last

week of an offer of funds for the modernisation of Soviet-supplied steelworks and power plants built in the 1950s and 1960s when Moscow-Cairo ties were close. Two-way Soviet-Egyptian trade is running at about £600m annually. Egyptian officials said goods

bartered through a special pound sterling clearing account that is used to denominate trade between the two

countries would pay for the

project. The repayment period is 12 years, with 5.5 years grace on payments of principal.

Mr Maher Abaza, the Minister of Electricity, said that the decision in March to increase electricity prices to industry by 30-40, per sent in line with the 30-40 per cent in line with the demands of international lending institutions had cleared the way for the disbursement of

Mr Abaza expected that by the end of the year both the World Bank and the United States Agency for International Development would be actively involved in funding new projects. Discussions were held recently with a World Bank team on a \$180m loan for the

USAID has earmarked about \$130m for power projects this year. Mr Abaza said Egypt would soon call tenders for the first stage of a power project at Zafarana on the Red Sea coast,

Mrs Hills believes the new law has been unfairly attacked

by many US trading partners. She sees designations under Super 301 as a tool of Adminis-tration policy to force markets

open, and as consistent with

the aims of the General

US 'unfair traders' threat yields productive talks

and the state of the second of

MRS CARLA Hills, the US for designation will be the mar-Trade Representative, says that the deluge of foreign government officials descending on her comments and the same of the says that the deluge of foreign government officials descending on her comments and the says that the says thad the says that the says that the says that the says that the sa on her agency to avoid being designated "unfair traders" has produced a series of intense and productive negotiations. In the past two weeks, officials from Japan and South Korea have come to Washington for new talks on reducing their trade surpluses - to avoid being named "priority countries" under the Super 301 provision of the new trade law. Mrs Hills is required by law

to target "priority countries" or "priority practices" for special negotiating pressure by May 30. Her recommendations are reportedly scheduled to go for White House consideration

Foreign policy consider-talked about - that have not ations are now being threshed created problems, not just for out in an inter-agency group, us, but for the world trading ations are now being thrashed created problems, not just for out in an inter-agency group, us, but for the world trading she said. A key determinant system."

Taiwan chip venture

By Louise Kehoe in

A \$250m (£150m) semiconductor chip plant is to be constructed in Taiwan under the terms of a joint venture agreement between Texas Instruments, the US semiconductor manufacturer, and Acer Incorporated, the largest Tai-Wanese computer-company and a major producer of personal computer "clones." The companies have agreed

to form a privately held joint venture to manufacture Dynamic Random Access Memory (D-Ram) chips in Talwan. Construction of the new wafer fabrication facility is expected to begin in September, with initial production scheduled for mid 1991.

Acer will provide most of the funding and will own 74 per cent of the joint venture. TI will provide some funding plus the design and manufacturing technology needed to build and operate the facility. The US company will have a 26 per cent stake in the joint venture with the option to acquire up to 51 per cent over the next five years.

Chips produced at the plant will be sold exclusively to TI, which in turn will guarantee up to 50 per cent of production to Acer, the companies said. Joint ventures of the type forged by TI and Acer may be followed by similar ventures between US chipmakers and US computer manufacturers, government and industry offiUMPING margins of 60 US government agency, deter-per cent are an out-rage Howest and are mined this month that the ric industry was threatened by a growing flood of cheap

tic industry compete against that level of unfair trade? This is how Mr David Gri-With Commerce Department dley, industry manager of the showing dumping margins on some products ranging up to Torrington Company, of Torrington, Connecticut, justifies the case his company has suc-cessfully brought in the US domestic product, it is easy to against dumping of foreign ball-bearings.
The case, in which producers from nine countries, ranging from Japan and Sweden to Thailand and Romania, have

> tion against imports. "There was very large dumping going on in the US. That is illegal," he says. "We are not 'anti' any trading partner. We are not protectionist. We are

ball-bearings are a staple part of almost every engineered product and a range of companies including such big names as Caterpillar, Hewlett Pack-ard, General Electric and Black & Decker are furious at what they see as an unjustified attempt to make them pay for the shortcomings of the domes-

Import penetration (%) US industry workforce

US industry is angry at clampdown on ball-bearing imports, writes Peter Montagnon

Dumping to some, but lifeblood to users

calculations simultaneously 212.45 per cent compared with conclude that imports are behind the problems being faced by companies such as Torrington. Certainly Mr Gridley is in no doubt that his industry is entitled to protec-

just asking for enforcement of US trade law."

Had the product concerned been anything other than ball-bearings, that approach might have passed unchallenged. But

tic industry.
One of their biggest grievances is that Torrington, which controls only about 25 per cent of the market, included in its complaint a whole range of bearings which it does not itself manufacture. Some of them are simply unavailable from US domestic producers. Some are available only at sub-standard quality and on unreliable delivery schedules. Yet all will now cost more as a result of increased duties imposed on dumped products.

According to the American

Imports (\$bn)
US producers home sales (\$bn)

keep its factories running.

Torrington does not make this product, and the three US companies which do - Ameri-

can NTN, Koyo and NSK - say they are working at full capac-

General Electric, meanwhile,

the bearings it needs for air-

craft engines from any domes-

tic supplier. Caterpillar says the oil-film bearings it applies

to engine crankshafts are in

users were not so lucky. They now face vastly increased bills. So frustrated are the users that some even accuse Torrington of seeking to carve out a monopoly in the US, a charge denies.

which Mr Gridley vigorously 1985 1986 1987 1988 24.1† 20.5 18.6 21,179 0.492 0.518 0.676#

Manufacturers for Trade in Torrington brought the case Bearings industry grouping, whose members purchase more on behalf of the entire industry which was losing some \$700m than 200m standard commodity in sales as a result of the dumping, he says. It was purely accidental that through ball-bearings each year, the product is in short supply around the world. Mr George Hupfer, Commodities Purchasthe use of generic terms for hearings some particular lines ing Director for Black & slipped in to the case which were not made in the US Decker, said in evidence to the ITC this year that his company That, however, is cold comwas "scouring the world" for enough commodity bearings to fort for the users. Once the

case is under way, the ITC has no formal obligation to take account of user interests. This is in marked contrast to the European Community's own controversial anti-dumping rules where the Commission nity in the context of the Uruhas to consider the broader economic interest in applying its findings.

claims it is unable to obtain short supply. It managed to have this particular bearing dropped from the list of every step of the way".

If they are not, he says, the

policies of their own, will even-

tually strike back in kind. Moreover, to the tune of \$3bn, Caterpillar is a large exporter in its own right. Forcing up its input costs is the last way of helping it to remain competitive in international markets, just at a time when the US badly needs competitive exports to combat its yawning

trade deficit. The bearings case has also raised concern over the methodology used by the Commerce Department to calculate dump ing margins.

According to one-Washington lawver familiar with the process, this is tilted in favour of a positive finding of dumping. That is all right when the margins are very high, but in the bearings case where most fell into the 10 per cent to 80 per cent range, the lowest was just 0.5 per cent, a level which could have gone either way depending on the way the margin was calculated.

The users generally acknowledge that changing the rules on the basis of the bearings case alone will be difficult, although some see an opportuguay Round of multilateral trade negotiations.

Mr Robert Mosbacher, Secre-According to Mr Walland department administration of the Canis, Washington-based governmental affairs manager for anti-dumping laws, would have to weigh up the need to make to weigh up the need to make keeping their costs down with the need to ensure the survival dropped from the list of risk is that other countries, of what are regarded as key affected products, but other even those such as Mexico strategic industries.

Japanese to try to convince US they have honoured trade deals

"WAS THERE anything wrong with my arguments? Was my presentation good?" An interview with this jour-

Agreement on Tariffs and nalist over, a senior official at Japan's Ministry of Posts and Telecommunications sought "We do not contemplate using it in a bullying or unilat-eral fashion," she said, adding that US successes in opening guidance in preparation for the Japanese beef and citrus what will be a torrid trade markets have benefited the Australians and Italians as week for the ministry and the country, Robert Thomson writes from Tokyo.

well as Americans. In coming days, the official hopes to convince a sceptical US audience that the ministry "There will be no surprises. There will be no practices or barriers that we have not has honoured past telecommunications trade agreements and that the US should not impose the first of what could

be many punitive tariffs on Japanese products in this present round of trade friction

The telecommunications problem - in particular, an argument over mobile telephones — is the most threatening of a series of trade disputes that have convinced Japanese officials the Bush Administration is more partial to anti-Japanese trade sentiments in Congress than its predecessor. They expect that by the end of this week, Japan will be on list of countries to be pursued as "unfair traders" under the

embarrassing revelations about a lost H-bomb off Japan. The disclosures include evidence that the US brings nuclear weapons into the country illegally and routinely.

There is also lingering resent-ment here over what is perceived here as a breach of trust the FSX fighter. Foreign diplomats are curious to see how far the US can push Japan, before Japanese US Department of Agricul-Super 301 clause. ture officials have just added to the list of alleged trade

belligerence signals a fundamental change in the relationgrievances by asking for a meeting early next month in Tokyo to discuss wood and paper imports. The department said high tariffs, overly restrictive building codes, and unfair classification systems hinder the sales of such products.

By that meeting, punitive tariffs of 100 per cent on Japa-nese goods as diverse as copiers and cosmetics - 54 products are on a hit-list - could already be in place - unless the Ministry of Posts and Telecommunications convinces the US that it has abided by 1985 agreements to open the Japanese rola this week but has made tem. clear that it has nothing more to offer the US company, which wants Tokyo radio frequencies for a mobile-phone network.

We have implemented the principles underlined in the agreements. We have kept our promises. We hope that the Japanese sincerity will be understood," a senior official at the ministry said.

Motorola equipment can be used outside greater Tokyo, but US officials apparently do not believe the ministry's argument that there is no room in routinely.

The ministry expects to meet the capital's radio frequencies senior representatives of Moto- for a second mobile-phone sys-

> NTT technology is used for the Tokyo system under an agreement to divide up the country, but the US wants the extra frequencies to allow "roaming" use of the Motorola equipment.

While the ministry says that decisions on equipment standards and procedures have been made more "transparent" to aid foreign companies, US officials argue that the decision process is murky and that Japanese companies are favoured

A trail-blazing concept in business aircraft: the tri-jet set.



Remarkable men blaze remarkable trails...

The unique triple vapour trail of a Falcon 50 or Falcon 900 is the sign of the tri-jet set: men of decision, power, intelligence and exacting demands. Men who want the best.

They know the Falcons are the world's only three-engine business jets with the same safety standards as airliners making overwater flights via the shortest routes.

They also know the Falcons benefit from the very latest Dassault technology, the most sophisticated engineering and aerodynamic standards in both civil and military aviation.

In the ultimate elegance of their tri-jet, they feel in a class apart... They are right.

FALCON 3-ENGINE EXECUTIVE JETS. A class apart.



DASSAULT INTERNATIONAL

| Name / Title | Company |
|--------------|---|
| Address | City |
| | Zip |
| Phone | Now Flying a |
| | Paul Delorme, Dassault International. 27, rue du Professeur Pauchet. (33-1) 47,95,83,83, Télex; 203 944 Amadas, Fax; (33-1) 47,95,82,10 |

Study at home for your MBA or

- Professional Diploma in Management.
- Study in English.
- Study with Europe's premier distance teaching University.



CALL BRUSSELS 732 1911 736 7976

AEROSPACE

The Financial Times proposes to publish this survey on:

7TH JUNE 1989

For a full editorial synopsis and advertisement details, please contact:

Tim kingham on 01-873 3696 or write to her at

Number One Southwark Bridge SEI 9HL

FINANCIAL TIMES

CHINA: THE PRESSURES FOR CHANGE

Uncertainty reigns on the brink of reform

Peter Ellingsen examines the chances of political and social re-alignment in China

OR BOTH China watchers and the oligarchy still nominally in charge in Peking, the past few weeks have been composed of revolutionary stuff. Journalists across the media have been vocal in telling the party and Government that its news coverage is should and should be

overhauled.
The journalists are workers, not students, and they are telling the communist par-ty - which killed demonstrators in 1976 and jailed protesters in 1979 - the old

ways must change.
Is this China? Reading the press makes it hard to tell. It seems that a month of student unrest has swept the old restrictions aside and ushered in a brave new world of Chi-nese glasmost.

An independent press amounts to an opposition and that is the first step toward something approaching politi-cal pluralism – always unthinkable in revolutionary

Such is the force of the peo ple power unleashed by stri-king students, however, that one - least of all the authorities - seems sure what the political rules now are. By making conciliation a virtue, the party has begun to alter the political agenda in China permanently.

With journalists, intellectu-als and teachers involved, and



Demonstrating students in Tlananmen Square yesterday

with residents and ordinary workers marching to express support for the students - at yesterday's rally to welcome the Soviet leader, Mr Mikhail Gorbachev, to Peking – water shed is not too strong a word.

Chinese over 30, however, while often moved by the student rebellion, remain more cautious. For them, the Gov-ernment's new, soft line looks and sounds like liberalism but suggests party propaganda.
It is also true that - with punish students who returned to class - the Government has not made any significant con-cessions as a result of the

cott and insists its negotiations with party-affiliated campus

It is still refusing to recog-nise the umbrella student union formed out of the boy-

groups is representative.
Peking is buzzing with the students' remarkable victory over authority. However, even

embarrassed party to abandon a ceremonial welcome for Mr Gorbachev, it is still not clear reforms went sour. what has been achieved in

practical terms.

The rallies in which more than 100,000 people ignored the law and called on the party to get its house in order, are cer-tainly unprecedented and will form part of Chinese folklore. But will anything really change as a result of the the students courage?

The campus upheaval has unquestionably had a marked impact on China's leadership. It has given the party its big-gest shake up since the Cul-

By talking tough without acting so, Deng Xiaoping, the party leader, has lost prestige — economic and other woes have already sapped his popularity – and is increasingly being seen as yet another senile old soldier. In some ways this is sad, as it was 84 year old Deng who lifted China and isolation a out of its chaos and isolation a decade ago.

Li Peng, the prime minister,

and other conservatives at the helm have also had to admit failure to control the unrest when it surfaced a month ago after the death of former party

the relatively liberal party boss. Zhao Ziyang - in Pyon-yang at the time of the first protests - has gained in stat-

on the day students forced an ure and recovered some of the prominence he lost last year when his rapid economic

It is a measure of the rigidity of Chinese politics, however, that Zhao's future rests as much with Deng as on the success of his soft strategy with

students.

Behind the Government's present policy of appeasement is a canny recognition that students have touched a nerve with their pleas for press freedom and real equality among codes. students.

cadres.

By not taking out the big stick – as Deng advocated three weeks ago – the party has won back some public sympathy but lost considerable face.

If the tactic works in coming weeks and the student movement loses momentum, Zhao's ment loses momentum, Zhao's edging toward gradual political reform will be vindicated. It would be poetic justice if, after carrying the can for the inflation that his fast-track economic reforms produced. Zhao could ride back to influence on

the pro-democracy wave.

After all, once Deng - his sponsor - opened the door to the west 10 years ago, people were bound to become more financially independent and less tied to the rigid party-linked work units and neigh-heurboad committees. Which bourhood committees, which have determined individuals

AT SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT .

At Sheraton, we go out of our way to look after our guests.

One rainy evening (in London, where else?) the Front Office Manager at the Sheraton Park Tower decided to become a Taxi Driver.

As everyone knows, you can never get a taxi when you really want one - a fact of life our Porter and a number of guests were being reminded of that evening.

So our Manager stepped in and offered lifts to the guests. Two accepted. Instead of driving straight home to Putney (in the south-west of London, across the Thames), she took one guest to Covent Garden (east of the West End) and another to Bayswater (north of Hyde Park), neither exactly en route.

In every Sheraton we work to a motto: "Little things mean a lot," exemplified in this case by a temporary change of job that helped two guests to keep dry, and keep their appointments.

We have nearly 500 hotels worldwide. For reservations or information, contact your nearest Sheraton

The hospitality people of Hotel, or get in touch with your travel agent.



ABUJA · BISSAU · BRUSSELS (TOWN CENTRE AND AIRPORT) · CATANIA · COPENHAGEN COTONOU - DJIBOUTI - EDINBURGH - ESSEN - FRANKFURT - GOTHENBURG - HARARE ISTANBUL - JERUSALEM - KAMPALA - LACOS - LIBREVILLE - LIMASSOL - LISBON - LONDON (BELGRAVIA, HEATHROW, PARK TOWER, SKYLINE) - LUBUMBASHI - LUXEMBOURG - MADEIRA MUNICH · PADUA · PALMA DE MAJORCA · PORTO · ROME · SALZBURG · SEYCHELLES SOFIA · STOCKHOLM · TEL AVIV · ZURICH • 01989 THE SHERATON CORPORATION AUSTRIA 0222 542132 - BELCIUM 11 3535 - DENMARK 0430 0020 - FINLAND 96001 3535 - FRANCE 1903 907635 - HOULAND 06 0335 IRELAND OI 728148 - ITALY 1676 55035 NORWAY 050 11435 - SPAIN- BARCELONA 93 3175068: MADRID 91 4012004

SWEDEN 020 795435 - SWITZERLAND 04605 3535 - UNITED KINGDOM 0800 353535 - WEST GERMANY 0130 3535

Playing Peking's press game Peggy Hollinger looks at the unwritten rules of journalism ASK ANY Chinese journalist about "official tight control" of the press and most will say it increase the tension. So I sacri-

does not exist - at least, offi-

cially.

Media law is non-existent in China. There is no protection against libel, no laws on what can and cannot be said, and no official censorship bureau.

"Theoretically, there is no censorship at all," says Mr Chen Li, editor-in-chief of China Daily, the country's only

thousands of students packing Tiananmen square, the centre of Chinese authority, to call for democratic freedoms, the first and foremost of which was freedom of the press; and why did the Propaganda Bureau sack the editor of the liberal Shanghai-based World Eco-nomic Herald after he pubnomic Herald after he published speeches by and about the late party leader, Hu Yaobang; and, finally, why did most newspapers ignore the demonstrations until the Government itself acknowledged the patriotism of those very same students who just a week earlier, had been labelled a

earlier had been labelled a threat to social stability? Like many things in China, the answer is complicated. What in the West would be termed censorship, in China becomes "social responsibil-ity". "Most editors and journal-ists practise a sort of self-cen-sorship," said a China Daily journalist. "Your papers are gloomy, full of sensationalism, crimes, etc. Here many believe to report such things would

only increase them."
But what the young journalist did not say was that so-called "self-censorship" is also a tradition in China, where the business of journalism, flourishing though it is, has been long used as a tool of has been long used as a tool of the Communist Party. Absence of legal powers does not neces-sarily mean the Party has no other way to enforce its line, and the journalists know this.

and the journalists know this.
"If the Government is dissatisfied with the content of something which is about to be published, they must tell the editor
not to print," said Mr Chen;
and if something has already
been printed then the Party
must ensure it does not happen
again.

again.
The student demonstrations brought the Government and journalists into direct conflict as Peking let it be known that some things would be unwelcome in the press. The curbs were different this time, as they were applied to calls for an end to corruption and more democracy – demands which

struck a chord with workers and infelectuals alike.

"It is an embarrassing situation," said Mr Chen about China Dally's early coverage of the demonstrations. "We did not practise good journalism not practise good journalism. But it is also a delicate situa-tion and we have many considerations."

erations."
For instance, he says, China Daily published a photograph of the some 200,000 students marching on Tiananmen Square only in its international editions. "I took it out of the demostic additions for four the domestic editions for fear," he said, "Fear because the Shang-

fice good journalism for that." Such an attitude, alien to

Western readers who demand news of everything from Zircon to the bedfellows of Pamella Bordes, is a direct result of Chinese social history maintains Mr Chen.

"People are accustomed to hearing that the Government is always right. If they hear it English-language newspaper. is wrong they will want to get So why are hundreds of rid of it. If you take a historical point of view, people criticise Deng Xiaoping, but you cannot forget his general contribution. When reporting these demonstrations we must look at them from this point of view. The best thing is to reform Chinese society so people can accept different opinions."

"The old regime was thrown over by military force, but now people are trying to shift to an institutional democracy. This

is a long process. Stirring up opposition among people will not help democratisation."

Mr Chen, himself a student activist in the demonstrations which helped to overthrow the Kuomintang regime in 1949, did not publish reports in the People's Daily that someone behind the scenes, said by the Government to be the astrophysicist and long-time dissi-dent Fang Lizhi, was organis-ing the students. "It is not the same as when I was a student. We wanted to overthrow the regime. These students are patriotic. Sometimes they are emotional, they say hard things. But we must accept the core of their ideas. This is the statesmanship that the Gov-ernment should have."

Many people in the Govern-"Many people in the Government are quite enlightened, but not all of them...Some people are not accustomed to democracy, they want to dictate what is right and wrong. So it is understandable to have clashes between the authorities and journalists."

While China structure to

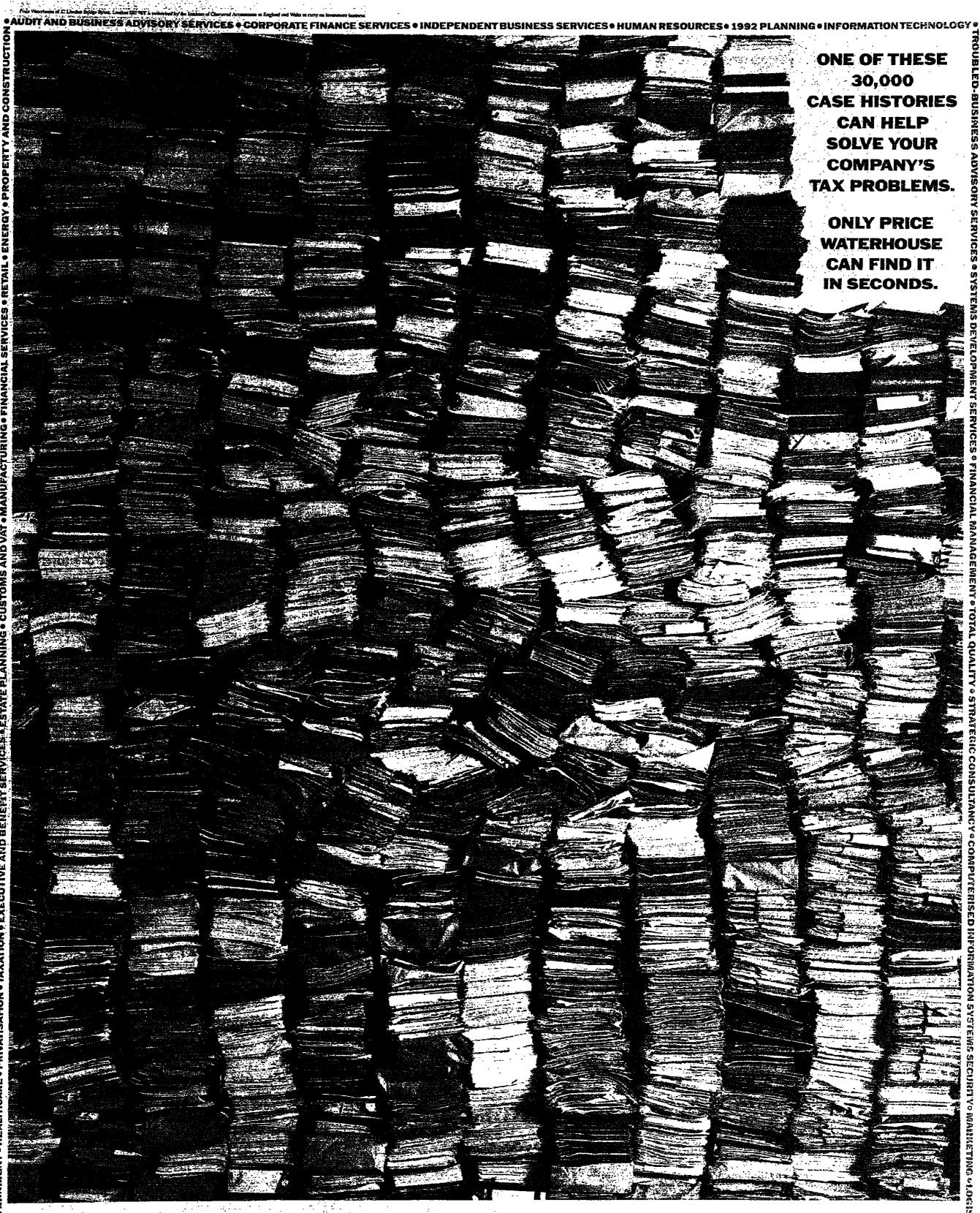
While China struggles to beat an annual inflation rate of 27.4 per cent (1988) at the same time as it builds a market economy, such tensions are inevitable. But if Mr Chen's analysis is correct, then a press completely free of controls cannot exist.

And yet, journalism is a flourishing business in China. The number of new newspapers which appear on the newsstands defles reason, says Mr. Peter Wood, economic consultant for the British embassy in Peking. "There seems to be no economic rationale behind them. Most are loss-making." But the function of a newspaper in China is completely

paper in China is completely different from that in the West. "It is to report and expose, but "It is to report and expose, but also to educate the masses on the Government's view; and the letters sent to newspapers are a source of information on what the people are thinking. The papers publish them and then pass them on to the relevant authorities."

It is not hard to understand It is not hard to understand the insecurity of a government just 40 years old, which must deal with corruption, abuses of power, and drag a country of 1.1bn people into the 20th century. Peking has achieved a faster and more widespread growth in 40 years than has any western country. It now said. "Fear because the Shanghai authorities were telling students not to demonstrate. If the students saw what was happening in Peking....well, if wiolence had broken out I would not have been held responsible, but from the bottom of my heart I would have

SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT . AT SHERATON LITTLE THINGS MEAN A LOT



It's extraordinary that no one else has ever done it before, but Price Waterhouse have developed a unique computer storage system for the most important of their tax case histories, going back more than 20 years.

All 30,000 of them.

form

Called Topwatch, it preserves the anonymity of each client whilst providing an invaluable and speedy source of precedent.

It's a source that, at one time, would have needed sifting through by hand. Indeed, in other organisations it still is.

And with the whole tedious business taking anything from hours to weeks, you could have found valuable time being wasted in the middle of an important deal. But not with Topwatch.

Thanks to Price Waterhouse's commitment to investing in new technology, the relevant case

histories can be found in a matter of seconds.

Which means, when it comes to assessing complex tax issues, the Price Waterhouse tax adviser has a head start.

Ian Vaile can introduce you to one of our Tax consultants at any one of 17 Price Waterhouse offices. Call him on 01-378 8012.

Price Waterhouse



• INTERNATIONAL TAX AND TRADE • INTERNATIONAL EXECUTIVE TAX • TAX INVESTIGATIONS • RELOCATION • FINANCIAL RISK MANAGEMENT • PROFIT IMPROVEMENT AND COST REDUCTION •

There's one great sure-fire way to create an ADR powerhouse. First, you take a talented team of experienced ADR pros and then you back it up with the resources of Security Pacific Corporation, a world leader in global finance approaching \$80 billion in assets.

That's exactly what happened with the formation of Security Pacific's American Depositary Receipt Group.

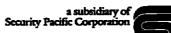
Today, our ADR Group is second to none...more responsive, more innovative and more capable in accessing capital markets and developing maximum broker/dealer support for ADR issues in the primary and secondary markets. There's added strength too in the fact that we operate as part of Security Pacific's Corporate Trust Division (New York), a top tier organization and certainly one of the fastest growing in its field.

Our management roster represents our resume and references combined: Ralph Marinello, Larry Faria, Gail Kitselman, Cindy Gall. In ADR's and International Securities Lending, these are the names that are recognized and trusted to perform.

Put the powerhouse behind your ADR program. Start by calling our senior vice president, Ralph Marinello. He's in New York at (212) 978-5040. In London, contact Derek Brignell, assistant vice president, Security Pacific National Bank (a member of TSA). His number is 01-374-1673.

American Depositary Receipt Group Security Pacific National Trust Company Two Rector Street New York, New York 10006

Security Pacific National Trust Company





Spending squeeze will hit profits, say stores groups

By Christopher Parkes, Consumer Industries Editor

JOHN LEWIS and Bentall's, expected to continue, with fur-two of Britain's department ther cost pressures to come, Mr store groups, have warned that they expect the spending squeeze to hit profits this year. Kingfisher, formerly Wool-worth Holdings, is also expect-

"I shall be surprised if 1969 is not one of those years when the profit dips," Mr Peter Lewis, chairman of the John Lewis Partnership wrote in the company's annual report, just published.

mr Edward Bentall, chair-man of Bentalls, a small south-east based retail group, said in his annual review: "If interest rates remain at their present level it is unlikely to be a buoyant year for retail

Sinn Fein

office hit in

gun attack

By our Belfast

ther cost pressures to come, Mr Geoffrey Mulcahy, chairman of Kinglisher, said yesterday, on the release of the group's

annual report.

Kingfisher, which includes the B&Q home and garden hardware chain, Comet electrical outlets and the Woolworth chain of variety stores, had detected that customers were becoming "ever more demanding and value-oriented," Mr Mulcahy added

Mulcahy added.

Profits of John Lewis and
Bentalls have risen consistently for the past five years.

Mr Lewis noted that last
year expenses rose faster than
sales for the first time in several years, "heralding the end
of a conspicuously prosperous
period for the retail trade." The tough climate was

Last year prices in the partnership's shops, including food, rose by about 4.5 per cent, compared with the official retail prices index of 7.5 per cent, while national wage rates rose by about 8 per cent.

John Lewis's sales for the first 10 weeks of this year were about 9 per cent up on the comparable period last year. Announcing an 8.5 per cent rise in pre-tax profits on turn-over up 10 per cent for 1988, Mr Lewis said earlier this year. "We can all recognise the warning signal of a profit increase lower than a sales

Bentall's said it had put tight curbs on expenses, and planned to contain them at less than the rate of inflation.

Japanese to launch

ELECTION WORKERS escaped injury in a gun and rocket attack on an office of Sinn Fein, the political wing of the Irish Republican Army, in west Belfast, Northern Ireland, yesterday.

A product was fired through A rocket was fired through the window as election staff prepared plans for the local government election which takes place in Northern Ireland

The building was also sprayed with gunfire and several people were treated for

Mr Danny Morrison, Sinn Fein's director of publicity, said "pro-British agents" had attempted to kill Republicans and voters, but he said the party would continue to carry out its work on behalf of the

nationalist community.

There was speculation that the attack represented the first occasion that Loyalists had used a rocket in a terrorist

attack in Northern Ireland. Earlier, a Roman Catholic workman was shot dead as he arrived for work at a building site on the outskirts of Belfast. white goods in UK By Our Consumer Industries Editor

THE long-expected Japanese entry into on the UK kitchen appliance market starts next month with the launch of a range of home laundry machines, freezers and refrigerators under the Hitachi

brand.

Washing machines and dryers made by Servis, one of the
few remaining independent UK
manufacturers, and refrigeration equipment from Vestfrost
of Denmark, will go on sale in
a limited part of south east
Resignd.

England.
The group was also considering similar moves elsewhere in Continental Europe, said Mr Norman Becker, Hitachl's appliance division manager. After-sales maintenance and

repairs will be handled by Servis's Homecare network, one of vis's Homecare network, one of the largest in the country. The range is aimed at the higher quality end of the mar-ket, at present dominated by West German brands. Prices of the washing machines, for example, range between 2400 and 2500, and refrigerators and freezers will cost between 2270 and 2430.

"We are not here to upset the apple cart," Mr Norman

Becker, Hitachi's appliance division manager, said yester-day. The company aimed to grow steadily in a controlled manner, selling on Hitachi's

reputation.
The group had no immediate plans to manufacture large appliances, although it already makes TV sets, video recorders, audio equipment and microwave ovens in the UK.

Other Japanese manufactur-ers, including Matsushita, which have substantial appliance businesses in the Far East, are known to be inter-ested in entering European markets. But none has so far

ventured beyond existing inter-ests in microwave ovens. Conditions are not ideal: most markets are saturated, and competition from European manufacturers is strong. In Britain, where about 40 brands are offered, prices have not increased in real terms for several years, and sales are currently depressed by the con-sumer spending freeze.

Japanese attempts to break into the US business have had

limited success, although they dominate the microwave oven and home electronics markets.

A TO THE STATE OF THE PROPERTY OF THE PROPERTY

and the fitte with a source of the winds.

Green code call to Strasbourg candidates

By John Hunt, Environment Correspondent

A "GREEN manifesto" calling A "GREEN manifesto" calling for stricter measures to protect the environment has been drawn up by four leading environmental organisations and will be put to UK candidates in the elections to the European Parliament next month. It calls for a doubling in the mileage efficiency of cars and funding for research to reduce air pollution and tackle the problem of global warming — the so-called greenhouse effect.

It also seeks a cut of 28 per cent by the year 2,060 in the carbon dioxide emissions from fossil fuels which contribute to

fossil fuels which contribute to the greenhouse effect.

Over 50 public meetings have been organised for the next five weeks involving Euro-candidates from all parties. The intention is to secure their commitment to the proposals in the document drawn up by Friends of the Earth. The Green Alliance, World Wide Fund for Nature and the Council for the Protection of

Council for the Protection of Rural England. "We intend making these European elections the gree-

European elections the greenest yet," said Mr Charles Secrett, campaigns co-ordinator for FOR.

The proposals in the document "Blueprint for a Green Europe" also include an EC commitment to a minimum 2 per cent increase in energy efficiency each year and legis-lation on recycling of packaging materials.

A report from the environ-mental organisation Green-peace yesterday called on the UK Government to stop all dumping of sewage sludge at

Mr John Langston, secretary general of the National Society for Clean Air and Environmen-tal Protection, also called on the Government to impose tough new controls on car exhaust emissions and adopt the three-way catalytic con-verter for vehicles in the UK to

reduce air pollution.

He pointed out that proposed EC legislation will set tighter limits on vehicle emissions in line with those in

1992? Our computer systems made the breakthrough years ago.

Europe are removed in 1992, NCR will be streets ahead of the competition. For more than a century, we've been creating technology for the free and unhindered movement of that most precious of commodities: information. We were the first major computer

manufacturer to commit ourselves fully to industry standards. So, even when

open systems architecture ensures you'l keep safe the investments you've made in hardware, software and training. And not find your progress impeded by inflexible systems.

This innovative approach has recently taken us past another milestone: the installation of our 65,000th open

history of success in Europe, our thought are ever towards the future.

In fact, we're already developing technology for business beyond the single market.

facturers' equipment, our computers simply don't recognise limits. Moreover, our pioneering work in

they're communicating with other manu-

So, why keep waiting for 1992, when

Stoppage fails to bring chaos Bus crews

London survives road and rail transport strike

By Michael Smith, Labour Staff

eed com

disruption to public transport Street and Camden areas, for years through 24-hour About 150 outer London routes, strikes by bus and underground crews and an overtime tract ban by British Rail workers. Transport Employers said that mally.

although many staff turned up late, only about 10 per cent falled to appear at all. Traffic moved slower than usual but there were no reports of the long term, standstills that had been feaged.

The Department of Employ.

The Department of Employ-ment said yesterday that min-isters were considering ways of curbing unofficial action of the type which has caused the underground disruption. This would probably involve mak-ing groups of workers who organise such action liable for damages to businesses. damages to business

Such a move would be a new departure for government efforts to curb industrial action. Up to now the law has relied on removing some legal immunities from unions organ-

considerable legal difficulties in defining the organisation of unofficial action clearly

· .1 *C.

*********** <u>. برستان</u>در م

ی پرست

7 28 July

CENTRAL LONDON emerged other than those provided by relatively unscathed yesterday in spite of suffering its worst in the Kensington, Regent Street and Camden areas, which are operated under con-tract for London Regional Transport, were serviced nor-

On the underground, there were only 11 trains out of a potential 476 in operation. Nearly all of these were on the Northern and Victorian lines. Central London transport services were expected to return to normal this morning. However, the British Rall over-time ban, which vesterday caused cancellations on 16 per-cent of peak hourservices, will

The bus crews, who have rejected a 7.1 per cent pay offer, plan to repeat their action fortnightly. It is believed that London Under-ground drivers, who are claim-ing an additional £84 a week for operating driver-only trains, are also planning fur-ther strikes. Yesterday was

immunities from unions organising industrial action without first balloting members.

Any proposals would prebably be inserted in the forthmaning Green Paper (discussions) for an all-out strike in oppositions at the strike in opposition and all-out strike in oppositions at the strike in opposition and all-out strike in oppositions at the strike in opposition and all-out strike in oppositions at the strike in opposition and all-out strike in oppositions. for an all-out strike in opposi-tion to the "action stations" plan for changes to working

enough.

Yesterday's action by bus crews caused cancellation of all services in central London

Both the NUR and drivers' union Aslef are to ballot their BR members next month for strike action over pay.

Government 'failed' on transport strategy

By Rachel Johnson

THE Government has failed to ney, in the north east, costing propose an overall strategy for London's transport problems, London's transport problems, The Rast-West line would the Royal Town Planning institute said yesterday.

The Transport Department's and Marylebone stations in the west and the Metropolitan and Marylebone stations in the west and the Metropolitan and Marylebone stations in the west and the Metropolitan and Marylebone stations in the west and the Metropolitan and Marylebone stations in the metropolitan and Marylebone

problem of congestion was a major cause for concern," it The institute pointed to the proliferation of studies sponsored by the department and

warned there was likely to be "significant areas of conflict by these studies." This piecemeal approach would be uneconomical as well

as confusing, said Mr Robin Thompson, vice-president of the RTPL
The institute, however, wel-

comed the initiatives for new rail lines across London pro-posed in the Central London Rail Study, published in Janu-

of these, Mr Paul Channon, the Transport Secretary, is known to favour building the East-West "Crossrail" line, costing £870m. This may also include building an underground line from Chelsea, in the west of London to Hackan extra £1bn.

underground line.
The construction of the Chelsea-Hackney line is in doubt six routes. One of the reasons because it would need some 30 staff turnover is so high is new trains, and a fully because staff find it impossible accommodation of the reasons are turnover in the staff find affordable accommodation. equipped main depot.

The crossrail lines allow use. of the existing British Rail elling distance. down on rolling stock costs. The institute disagreed with Mr Channon, that passengers should pay a major share of

call a halt over stress, hours, pay By Flona Thompson ...

FRIENDSHIPS have to be formed quickly at Victoria Bus

formed quickly at Victoria Bus Garage in central London. There's not much choice when 65 per cent of the staff have less than a year's service, "In the last six months, 30 out of 59 conductors have come and gone," says Mr Ron Francis, aged 51, standing in the sun yesterday with five fel-low nickets and a policeman. low pickets and a policeman.

Bus workers throughout the capital yesterday held the first of their threatened fortnightly

of their uncarence forminghly 24-hour strikes.

The Issue on the ballot paper was pay, but the six men in front of Victoria Garage stressed that the management's 7.1 per cent pay offer was just one reason why the crews were taking action. "It's not just pay. Our working conditions over the past three years have deteriorated badly," says Mr Ian Kler, aged 48; a driver-operator on a basic £220 a week who has worked for London Buses for eight years.

"We've had 4 to 4½ per cent increases for the last two years but they haven't been cost of living rises, they were for productivity gains.

for productivity gains.

Take overtime, for example. It used to be that any hours you worked over your rostered hours were paid as overtime. Now that's not necessitie. essarily the case. As a result, pay slips are the same as they were two years ago." "And the schedules have got

worse," says Mr Charlie Walsh, who is 40, a conductor for 12 years, on £183 basic.

for 12 years, on 2183 basic. "The 5am shift used to finish at 12.30, now it's 2pm. On average, people are working an hour longer a day."

"And the job has become more stressfull, with more traffic and more people. It's rush-hour all day long in central London now."

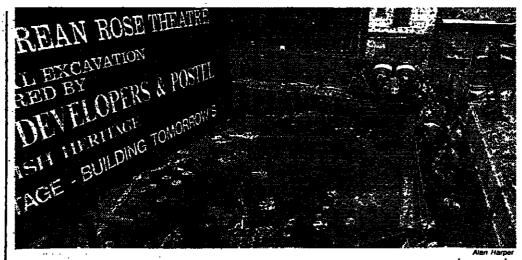
"It is not surprising that the sickness rate has gone up," says Mr Kler. "But now if you

says Mr Kler. "But now if you are sick for more than eight days a year, the computer clicks your name up and the disciplinary procedure starts." Two hundred bus staff work out of Victoria garage, operat-ing 88 buses day and night on

to find affordable accommodation within a reasonable trav-

from the north and Wales, and lived in bedsits during the eek," says Mr Kier.

As the staff see it, money



The blight of the Rose

Paul Cheeseright looks behind the scenes

THERE are 12,000 scheduled aucient monu-ments in England. The difficulty for the Rose Theatre, by Southwark Bridge in Lon-don, is that it is not classified as anything at all. Had it been, then the legal position in terms of its conservation would have

The means for protecting buildings and monuments of historical interest are set out in the 1971 Town and Country Planning Act and its subseaims of this act and its precursor of 1947 were to establish a pattern of land use, give local authorities the power to pro-tect historic buildings and encourage them to promote development

If an ancient monument is 'scheduled" or a building is "listed" then the freedom for anybody to come along, cover it up or knock it down is

What happens is that English Heritage, the state agency responsible for looking after the buildings and monuments, recommends to the Environment Department that this or that structure should be

scheduled or listed The actual fact of listing, an administrative action, can immediately change the value of a building. If a developer enquires whether a building will be listed and receives a certificate to the effect that it will not be, that intention holds for five years.

But the English Heritage recommendations are not always accepted English Heritage could not persuade the Government to list as many post-World War II buildings as it wanted.

The Rose Theatre is not scheduled for the very simple reason that until recently nei-ther the archaeologists nor Imry Merchant Developers, owners of the site, knew it was there. By contrast, on the other side of the River Thames, at a site owned by Hammerson, the existence of Roman baths at Huggin Hill has been long known and indeed the baths are a scheduled monument.

If a property development company wants to undertake a project affecting a scheduled monument then it has to obtain the consent of English

Frequently, written into the planning permission is a clause which gives the archaeologists a specified time to work over the site. Usually this archaeological work is paid for by the property company: £200,000 in the case of Imry Indeed, last year property companies put £14m into archaeological work, compared with an English Heritage's budget of £7m.

But the tricky side of all this comes when the archaeologists find something that they had not expected. Imry has a local authority planning consent, given and received in good faith. "We can't turn the screw in a legal way", said English Heritage. The same is true in the case of Hammerson.

It is in the power of the local authority, with the consent of the Environment Secretary, to revoke or modify a planning consent. But if this is done, then there is provision for compensation to the developer for any loss or damage directly attributable to that revocation or modification. The costs would not necessarily be huge. The main element would be

WINNING A



LONGINES

INTERNATIONAL DIRECT MARKETING

The Financial Times proposes to publish this survey on: 18 April 1989

Neville Woodcock

or write to him at:

Number One Southwark Bridge

FINANCIAL TIMES

NATIONAL infrastructure costs of the and resources were put into London Buses when the nowcrossrail line. "The Government should support the well-being of the capital by making a major con-tribution to capital costs of defunct Greater London Council controlled the system. "Now," says Mr Walsh, "it is new public transport projects," said Mr Thompson. A Private Bill, sponsored by an individual MP, for the line is likely to be put before Parliageared more and more to making money and is less and less TRAINING AWARD a public service. viewed as unacceptable. "It will not keep pace with the ment by British Rail and London Regional Transport, which manages the capital's undercost of living," says Mr Bird. Even prices in our canteen ground and bus systems, in November. have risen 11 per cent this ISN'T EASY. We're talking Cellular We're talking Pagers AFTER MAY 31st

We're talking Fax That's Talidand talking - leading the field in mobile communications with a network of dedicated outlets ... and a range of superb products that's not only great quality, it's outstanding value, too. Cellular phones, mobile, portable and transportable... the best range, backed with unbeatable installation and service. For pagers, Talkland can connect you with the letest technology in an inscent eat value, outstanding performance. FAX on the line, Talkland have the quality and value you need - including portable units for clear, hard-copy communications. With half-minute billing for cellular aintime, after sales service that's unbeatable in the country, finance and extended warranties, Talkland is spreading the message about better communications quality, service and value. Call Freefone Talkland sales, or send the coupon today.

With us, the message is clear

| l'an inter aatan | ested in: Carph to charges and a | To Telidend, PREEPOS ones () Portables () Telesportable free sales senuce (), Plees cont | (| EXY IT COMMITTEE IT WAS IM SE | PT na. terestaid in reesonable ' bons Consultant (1). |
|---------------------|-------------------------------------|--|---|-------------------------------|---|
| Name | <u>.</u> | Company | | Position | <u> </u> |
| Address | | | | | |
| ATT 630 | | 10 5 74 14 2 14 15 | | Phone | |

The closing date for entering the 1989 National Training Awards is May 31st.

So if you want to win one of these prestigious awards you should complete your entry form as soon as possible.

Compared to setting up a successful training scheme for your staff filling in the form is relatively simple. All that's required is a brief assessment of the way

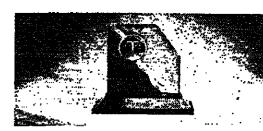
training has benefitted your organisation. But remember, no matter how good

IT'LL BE

IMPOSSIBLE.

your entry is, it's impossible to TRAINING win if you miss the deadline.

FOR MORE INFORMA-TION AND AN ENTRY PACK DIAL 100 AND ASK FOR FREEFONE NATIONAL TRAINING AWARDS.



A CREDIT TO YOUR ORGANISATION.

In Brief

Poll tax

leaflet

'full of

There's a better way to decide your company's future.

Financing your company's development is better left to the experts than

And the best place to meet the experts is Finance 89, the exhibition and conference of financial services for growing businesses.

Whatever kind of financial advice you're after, Finance 89 is the quickest

For your complimentary ticket, please phone 01-940 2244, or write to us at the address below.

The Bailo Telegraph

Business & Corporate Finance 89
34 The Quadrant, Richmond, Surrey TW9 1DN

AS YOUR BUSINESS GROWS -ARE YOU GROWING WITH IT?

Its own success is one of the biggest problems a business can face. As Managing Director of a young, independent and growing company, it can be the most difficult thing you have to manage. Change is inevitable. And you need to be prepared to change, too. You will need to take on new skills. To delegate management functions. To create structures. And to develop a business strategy which will prepare you for the next strates of arough.

to create structures. And to develop a business strategy which will prepare you for the next stages of growth.

If your business is less than 3 years old, then the Early Growth Programme at London Business School could be just the thing for you. It takes a unique approach to management education by encouraging you to use your new knowledge to find answers to your awn specific problems.

Furthermore, it has an intermittent structure. Over an 8 month period you will need to spend no more than 17 days away from your

In addition to all this, scholarships are available to supplement the full cost of the programme. So turning your strengths into positive growth could cost you as little as £1,000.

The next programme will start on October 23rd 1989 and lications must be received no later than September 22nd. For more rmation, and an application form, call Cathy Scott today at lon Business School's Centre for Enterprise on 01-724 8357.

EARLY GROWTH PROGRAMME

UK NEWS

Japanese buy minority stake in Welsh group

By Anthony Moreton, Welsh Correspondent

JAPANESE involvement in British industry took a new turn yesterday when C Itoh, the country's leading trading house, acquired a 20 per cent stake in the privately owned Welsh electronics concern

Race Group.

It is believed to be the first time a Japanese company has taken a minority equity holding in a British concern.

There have been some port-folio investments," Mr Andrew Lawson, of the Confederation of British Industry, said yester-day, but I believe this is the first investment undertaken for strategic trading reasons."
The Race-Itoh deal was signed in London after several months of negotiations but nei-ther Itoh nor Mr Alfred Gooding, who controls Race, would comment on the price.

All Mr Gooding would say

concern, Gooding Investments, owns 70 per cent of Race and Citicorp Venture Capital the remainder. Under the terms of yesterday's deal the Gooding holding will be diluted to 56 per cent and Citicorp's share to

24 per cent.
The deal will strengthen Race's links with Japanese companies anxious to get a: footing in Europe before the integrated market of 1992. Itoh has already introduced Race to one company and Mr Gooding expects to announce

next month that production by a joint venture between them will begin in South Wales by the start of 1990. A second agreement with a leading Japanese concern is at an advanced stage. Japanese involvement in Britain has traditionally been through direct investment, such as the Toyota



Gooding: expansionary step

years ago Sumitomo Rubber bought Dunlop, but that was a takeover of a complete concern

Mitsui and Hambros which the Japanese company eventually converted into a controlling "In these cases," he added, "the Japanese have been

acquiring knowledge of market conditions before taking con-trol. The new deal is the first to my knowledge of a strategic Race is a leading British

sub-contractor of printed cir-cuit boards to the telecommunications, motor, data processing, home electronics and office automation industries. Mr Gooding hopes to bring the company to the market next year or in 1991.

"The date depends on market conditions at the time," he said

yesterday.

For Mr Gooding, the decision by C. Itoh to take a stake in his privately owned Race Group is just another step along the road to building the company

By David Goodhart in Bonn

THE Labour Party is close to

announcing an important co-

operation agreement with the West German Social Demo-

cratic Party (SPD) which its leaders hope will give further impetus to its attempts to

become a modern, reforming

pro-European party.
Under the agreement, initiated by the Labour Party,

working groups will be set up covering specific topics and the two party leaders will hold reg-

ular summit meetings.
According to Mr Eddie Heussen. SPD spokesman, Mr HansJochen Vogel, the SPD leader,
will visit Mr Neil Kinnock, the
Labour leader, in September in
the first of these meetings.
The projected link is mod-

into a leading international

electronics group.
Four years ago Race was all but on its knees, losing £500,000 on a turnover of £3m. It had been seriously set back by the collapse in the home computer market, which did terrible things to Acorn, its largest customer. Some sub-contractors lost a lot of money in the debacle, but by quick footwork Mr Gooding managed to extricate Race without too much financial damage.

To save the day every conceivable economy was made. But Mr Gooding's insistence on tight financial controls, aggres-sive marketing carried the company to a remarkably

quick recovery.

The workforce is now up to 1,300 in South Wales and profit this year is expected to be between £4.5m and £5m on a turnover of between £70m and

Chancellor, believe Labour has

much to learn from the West German model of political

decentralisation. There is also

growing interest in Scotland and the north of England in the German Lander (states)

The working group on indus-trial relations is likely to be

influenced by a parallel closeness being established between some British and German unions. The Amalgamated

Engineering Union has

recently started much closer co-operation with Europe's largest union IG Metall.

On defence closer collaboration between Labour and the SPD could help to resolve some

A leaflet to be delivered to 21m households in England in the Government's £1m campaign to explain the poil tax is "littered with half truths" and truths and the poil to the poil of fact " "pitted with omissions of fact," it was claimed in the High

omissions'

it was claimed in the High Court yesterday.

In particular, the leaflet amounted to "misrepresentation by omission" because it did not make clear that couples could be made liable to pay each other's poll tax, said Mr Stephen Sedley, barrister.

He was opening a judicial review in which the London Borough of Greenwich is trying to stop the Environment. ing to stop the Environme Department distributing the leaflet, The Community Charge [the so-called poli tax]: How it will Work For You.

Tesco to expand

Food retailer Tesco unveiled a £1bn investment plan to add 60 stores, mostly of more than 25,000 sq ft, to its existing chain of 380 in the next three

Distillers invests

United Distillers, the spirits subsidiary of Guinness, is to invest £15m in its grain distill-ery at Cameronbridge as part of a £100m investment programme for the company's Scottish operations over the next three years.

Takeover tax move Customs & Excise department is thought to be about to allow companies in takeovers to recover value added tax on fees relating to their acquisitions, a move likely to save millions of pounds for acquisitive groups.

Liquidation called Securities and Investments Board, central financial services watchdog, has petitioned under the Financial Services Act for the compulsory liquidation of Mildminster, a City of London investment firm which ceased trading in March.

Contact lens warning

Workers at GEC have been warned not to wear contact lens while doing electrical work or welding, after two accidents which partially blinded two workers.

Greek life sales Scottish Provident and Com-

mercial Union will start selling life assurance in Athens and Thessaloniki later this year after receiving licences from the Greek Government last

EETPU vote

The electricians' union EETPU voted yesterday to stay out of the TUC.

There have also been links in the financial sector, Mr Lawcar plant announced last month for Derbyshire. Some was that the figure was "sub-stantial." Mr Gooding's family son said, such as that between Selected reductions offered to protect domestic market

British Coal offers price cuts

BRITISH COAL is offering to slash the prices of 20 per cent of its sales to power stations to protect a large section of its market from imports and fend off another heavy round of col-

liery closures.

The cuts would apply to a special tranche of coal earmarked to generate power for large industrial users of electricity. The terms would resemble those available for consum-

ers of large quantities of gas. The offer was revealed in London yesterday by Mr Michael Gibbons, chief fuel pur-chaser of Industrial Chemical Industries, Britain's biggest chemicals company, who said that it should be adopted to help keep UK manufacturing industry competitive with its European rivals.

The threat to coal sales from the forthcoming privatisation of the electricity industry sparked heated exchanges in

Mr Tony Blair, the opposition Labour Party's energy spokesman, accused the Government of ignoring the cheap fuel offer because of a "policy decision" to scrap 15 per cent of the coal industry, with the loss of 15,000 mining jobs, mainly in the Midlands mainly in the Midlands.

Mr Michael Spicer, Energy Under Secretary, rejected the charge and said Mr Blair was being used as a "pawn" in talks still in progress.

Uncertainty about the future of the coal industry has also

been intensified by the short-term nature of the contracts for electricity supply being discussed by generators and distributors of electricity. Both sides of the industry had reached an advanced stage in working out a series of bulk electricity contracts ranging from five to 15 years, which would have also set the national would have also set the pattern for negotiations on power sta-

tion coal supplies.
But Lord Young, Trade and Industry Secretary, said that such long contracts would have stunted the growth of contracts of three to five years

are now under negotiation. This is despite protests from other Departments that this could lower the price of the two big generating companies when they are sold off.

The cheap coal scheme is aimed at large-scale electricity users, which account for 20 30 per cent of national power consumption. It would be an expanded version of the arrangement in existence between 1986 and 1988 under which about 5m tonnes of coal were earmarked, at a dis-counted price, for electricity supplied to some 70 large industrial sites.

The Government says that kind of scheme is now redundant because electricity cus-tomers will benefit instead from the greater competition to be introduced into the priva-tised electricity industry.

The projected link is mod-elled on the relationship between the SPD and the The generating companies would be able, for the first time, to contract directly with French Socialist Party which have regular formal contacts. The four areas on which joint customers who previously have bought power through the area distribution boards. SPD-Labour discussions will

of Labour's nuclear dilemmas with voices in both parties supporting the creation of a European deterrent. Labour officials admit that they have more to learn from the SPD than vice-versa but the SPD to always know the second concentrate include: regional the SPD is always keen to policy, economic development and the environment, new improve its international relationships. The Labour image will also benefit more from the and the eventuality, new technology and trade unions, and defence and foreign policy. In the regional policy field senior Labour figures, led by Mr John Smith, the shadow association especially if the SPD becomes the main govern-ing party in Germany next year.

Microwave TV runs into

Labour to forge link

with German SPD

UK frequency problems

By Raymond Snoddy THE GOVERNMENT is facing increasingly difficult technical choices on how to introduce

local microwave television into The Government yesterday published a discussion document setting out the technical options for the frequency bands that could be used for Microwave Video Distribution

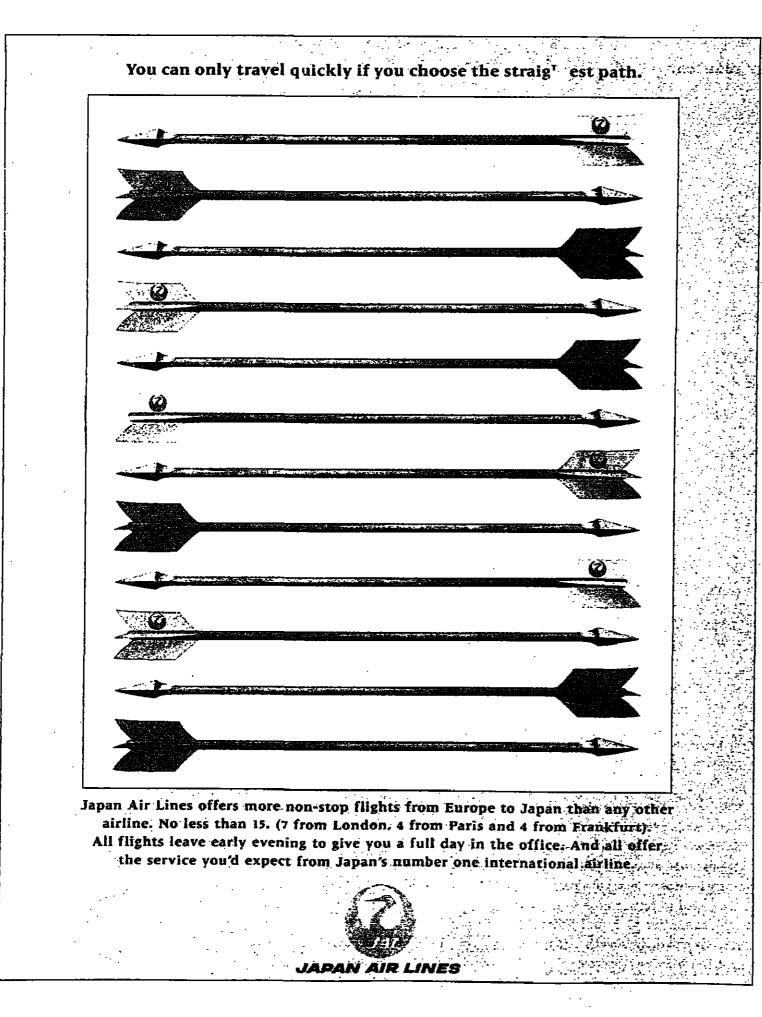
It is clear that difficult deci-

sions have to be taken whatever options are finally chosen for the Government's stated aims to have " technologically

neutral " local television fran-chises using cable television, MVDS, or a mixture of both. The 2.5GHz band has already been ruled out because of the pressure of other users on that frequency and the 27-29GHz band because it does not look as attractive as 40GHz.



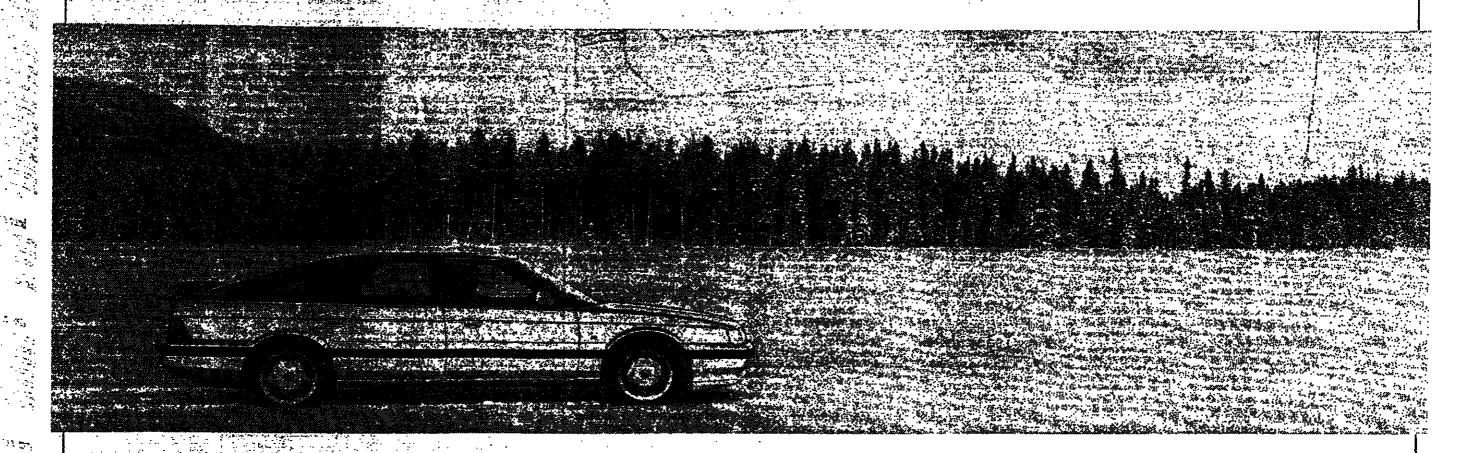




ill of

Missiony

DRIVE ACROSS LAKE HORNAVAN AND YOU LEARN A THING OR TWO ABOUT BRAKES.



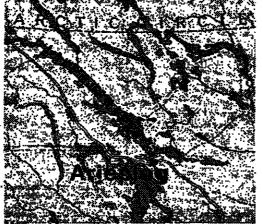
In the winter it enjoys three hours of sunlight a day and arctic temperatures that hover around the minus 40 mark.

To us, literally the frozen wastes. To the Rover test drivers, a kind of paradise. Solid ice, sixty four kilometres of it, and just the spot to put the ABS braking system on the Rover Vitesse through its paces.

First, our drivers test the brakes on a surface of hard packed snow on top of ice. Both car and brakes are pushed to the limit as stopping distances are gradually reduced.

Then the car is driven at high speeds on a split surface. Half ice, half false tarmac. (The false tarmac being created by spraying a mixture

of water and gravel on the ice.)



Lake Hornavan, Northern Sweden. Home to reindeer and Rover test drivers.

Once the ABS system is tuned to its optimum and the cars are steering along the straight and narrow as well as round the bends, it's off to the next test.

The Austrian Tyrol maybe for yet more brake tests. The California desert for hot weather trials. Or even to glamorous

Warwickshire, home of Rover's Gaydon proving ground.

That's where the 24 valve, 2.7 litre, V6 Vitesse engine, unhampered by speed limits, is really allowed to perform.

0-60 in 7.6 seconds. Top speed, 140 mph.

Small wonder then that the Vitesse comes with up-rated gas dampers, ultra low profile tyres, alloy wheels and sports suspension.

As well, of course, as all the comfort and refinement you'd expect from a Rover.

The Rover Vitesse Fastback. We've put it to the test.

Now it's your turn.



Directors confront a greater dilemma

Charles Batchelor examines the anxieties created by legislation

ife has become much directors over the past three years. New insolrules governing the conduct of directors are changing the way the honest director - as much as the crook - goes about his

lob.

Increasing numbers of directors are being disqualified as the new legislation begins to bite and a growing file of court rulings is clarifying just how the law will work in practice. Nine directors were disqualified in the first year in which the new legislation was in force rising to 127 in the secforce, rising to 127 in the sec-ond year and 252 in 1988/89. "Hardly a week has gone by in the past two years without someone coming in to ask whether they have been trading wrongfully," says Stephen Adamson, head of the London

insolvency department of accountants Arthur Young. What the Insolvency Act and the Company Directors Dis-qualification Act of 1986 have done is to make it far easier to hold directors responsible for their actions and to make them pay either for their mistakes or their misdemeanours. "There is no such thing as limited liability for these people now,"

says one insolvency specialist.
The new laws have also broadened the definition of "director" so that non-executive directors and, in some instances, the accountants, lawyers and bankers who advise directors may be held responsible for what has gone

Equally important, a special Disqualifications Unit has been set up in the Department of Trade and Industry, to pursue the wrong-doers and build up a complete record of directors involved in company failures.

Unfortunately, in the view of many people, life has also become more difficult for the honest director whose company gets into trouble. It can be difficult for a director to decide, in the thick of running a business, at which point his actions - or inaction - bring him into conflict with the law.

While the new legislation is not aimed at companies of any particular size it is the director of the smaller business who is more likely to be affected. By their very nature, smaller companies have a higher failure rate than larger, more established, businesses and they also lack the financial and

management resources.
"The character running the small business doesn't have time to read everything that is put in front of him," says Mich-ael Denison, senior manager in the insolvency practice of accountants Cork Gully. "He is too busy getting out the orders and paying the wages."

more likely to use a small local accountancy firm to carry out the audit and prepare its accounts. These firms, in the view of the larger accountancy practices, frequently lack the specialised knowledge of insolvency law to be able to advise their clients.

A major innovation of the new legislation was the creation of the offence of "wrongful trading". A director is lia-ble for wrongful trading if, at some time before his company goes into insolvent liquidation, he knows or ought to have concluded that there was no rea-sonable prospect of avoiding

Only if the director can show that from that moment he took every step to minimise the potential loss to the company's creditors will he not be held

Under the previous law, directors could only be held liable for fraudulent trading. This turned out to be an ineffective sanction because a liquidator had to prove the direc-tors intended to defraud the creditors. Directors were frequently able to argue that they believed, however unreasonably, that they could turn the

business round. "It was very difficult for the liquidator to prove, a couple of years after the event, that there was any intent to defraud," says Adamson. "A director could justify carrying on at a loss or taking out further credit because he thought he could see light at the end of the tunnel."

The new laws also give a guide to the areas which will be taken into account when assessing a director's behaviour. The court will consider whether company funds have been misappropriated and the proper records kept. It will also look to see if the company has supplied goods and services for which payment has been made and whether particular creditors have been given preferen-tial treatment.

The net has also been widened to take in people who effectively act as a director even if they do not appear on the company's books as such. This takes in both the frauds-ter who deliberately manipulates the official directors and possibly even the bank manager who sits down with his client every Friday to deter-mine which of his bills should be paid first.

Directors who fall foul of the new legislation may be barred from holding office or from taking part in the management of a company for between two and 15 years. They may also be made personally liable for a company's debts if trading has continued beyond the point where it became clear there was no prospect of escaping

The first court ruling that directors should make a repayment to creditors came in March, when two directors of Produce Marketing Consortium, a failed fruit importer, were ordered to pay the liqui-dator £75,000. The judge ruled there had been no deliberate wrong-doing but untrue state-ments were made to creditors and a warning from the company's auditor had been

The fear of the National Federation of Self Employed & Small Businesses is that it is not always obvious when a company reaches the point of no return. The removal of the need to prove intent has, ironi-cally, made life more difficult for the honest director. "It is arbitrary when you



reach the stage of wrongful trading," says Stephen Alambritis, spokesman for the federation. "You might expect a payment in a week's time but then it doesn't come through." "The situation is still unsatisfactory because wrongful trading does not include the idea of recklessness or wilfulness," comments Andrew Hutchinson, principal research executive at the institute of Directors. "It is simply a test of imputed knowledge. What somebody should know is a fairly slippery concept. Direc-tors are having to work with

something where there is inevitably an area of doubt." But Grahame Harp, an accountant and head of the 50-strong Disqualification Unit set up to enforce the new legislation, plays down these sugges-tions of arbitrariness.

"We look for something fairly wilful before we seek dis-qualification and even then we still have to convince the court. The odds of anyone being disqualified are pretty remote unless he has gone over the boundary of reasonable

"The courts have said it is wrong to bring disqualification proceedings with the benefit of hindsight," he says. "You must go back into the mind of the people at the time. You must show, for example, that at a board meeting to consider losses, the directors must have realised they were at a point where they should take advice or that it was too late."

The 388 directors who have been disqualified since the new legislation took effect in April 1986 have included a number who have continued trading beyond a reasonable point, says Harp. But they have also included directors who have paid themselves too well when their company was in trouble; who have repaid selected creditors at the expense of others: between one company and

What should honest direc-tors do to avoid problems with the new laws? "It is easy to say, but you must have good management information." advises Denison.
Call on outside professional

help if you think matters are getting out of control, says Alan Bloom, a partner in Arthur Young. "I don't think directors can ever make the judgment themselves about whether they have overstepped the line. It takes a view from outside, from a firm's auditors or lawyers."

Of course, not all of a company's directors will necessar-ily agree that the point of no return has been reached. Directors who have personally guar-anteed a bank loan may be very rejuctant to call a halt.

'A sole director cannot wind up the company on his own but he should make it clear and have minuted what he thinks the situation of the company is," says Denison.
"Only then should be resign. If a director merely says 'Good God, the company is broke' and disappears into the sunset, a court would probably decide he had not taken all reasonable steps to minimise the loss." With more than 200 cases currently before the courts most observers are agreed that, for the next few years at least, the number of directors being disqualified each year is set to rise further.

Growing - little by little By Charles Batchelor

any of Britain's most profitable growing companies are wary of very fast rates of growth and would prefer to expand more slowly, according to a survey carried out for accoun-

tants Coopers & Lybrand. Bapid growth is difficult to manage while steady organic growth allows the owner-man-agers to retain control, accord-ing to many of the successful businesspeople polled. Twenty key executives were inter-viewed in depth while a fur-ther 100 were surveyed by tele-

Sixty per cent of those surveyed said they expected that growth would be slow and steady over the next two years while 30 per cent said they wanted to expand rapidly. For inclusion in the survey compa-nies had to be independent, privately-owned and have achieved 100 per cent growth in pre-tax profits over the pre-vious two years.

Many of the businessmen had large equity stakes in

their companies and were con-tent to remain private. Those who had considered a public listing were well aware of the extra demands this would

extra demands this would make on them and of the pos-sible change in the firm's char-acter which would result. The survey identified the six most common factors of suc-cess. They were: ● An experienced managing director/founder with a good knowledge of his markets and of his industry.

■ Close contact with customark and a commitment to an industry.

 Close contact with customers and a commitment to quality in both product and service. Higher profit margins were achieved by concentrating on competing on service rather than on price or the uniqueness of the product.
 Attention to good employee relations frequently backed up with bonus or incentive. with bonus or incentive

• Innovativeness and flexibility in the fields of marketing, technology and product.

A focus on profits rather than sales. Good management

systems were essential to keep • Operating in markets that

were growing, though compa-nies could help themselves by watching for growth opportunities. Timing and luck also played a role.

The three main problems facing the businessmen polled were a shortage of skilled workers, rising interest rates and the strength of competi-

tion.
The fast-growth companies fell into three categories: younger companies which had grown from small to mediumsize; older established compa-nies which had gone from stagnation or decline with the arrival of new leadership; and older companies with well-es tablished management prac-

tablished management practices which were exploiting new opportunities or benefiting from past investments.

*Private Growth Companies.

A Review of Factors for Successful Profit Growth. Research by four postgraduate students at Landon Business School.

In brief...

 Robin Maxwell-Hyslop, Conservative MP for Tiverton, Devon, has been named Politician of the Year in a small business awards scheme, the Guildhall Helping Hand Awards, organised by the National Federation of Self Employed & Small Businesses and Tollit & Harvey, for voicing the concerns of small businesses over tax and rates reform.

Winner of the special award for services to small businesses went to Ernest Hall, founder of Dean Clough Industrial Park, a former Halifax textile mill which now provides a home to many small firms.

■ Small business training courses by satellite will soon be available throughout Britain. Starnet Project is a £450,000 pilot scheme funded by the Training Agency which will deliver courses from the Polytechnic South West in Plymouth to trainees throughout the country.
Participants will be able to

take part in live, inter-active courses sent by means of the European Space Agency's Olympus satellite, due for launch on June 22, to small diameter satellite receivers at their homes or places of work. The first two courses will cover business skills for small and medium-sized firms and information technology for engi-

The aim of the satellite transmission is to make speci-alised courses available to trainees throughout the country and even across Europe. Contact Paul White, Polytech-nic South West. Tel 0752 233982.

A two-day conference on the New European Opportunities open to the venture capital community will be held in Lon-

don on May 25-26.

Speakers will consider subjects including the implications of 1992, cross-border activities, international syndication and tax efficient fund structures. Contact Business Research International. Tel 01-637 4383. Cast £475 plus VAT.

A new manual payroll and electronic transfer system for the small and medium-sized business has been developed by Allied Irish Bank and Kalamazoo, a business systems supplier. Paymaster reduces pay-

roll records to three sheets of

paper and transfers money electronically to employees'

bank or building society

Businessmen seeking commercial links with companies in Spain may find useful a directory of businesses in the province of Valencia. The directory, in Spanish, English and French, describes company activities, location and possible areas for commercial or tech-

nological co-operation. The Directory of Innovating Companies of Valencia is available from IMPIVA, Pl. del Ayuntamiento 6, E-46002 Valencia, Spain. Tel (34-6) 351 01 08.

■ A two-day conference enti-tied Enterprise, Innovation and 1992: Innovation Support Services in Europe, is to be held in Nice, France, on October 28-27.

The conference is organised by TII, a European professional association of more than 300 innovation support organisations. The organisers have issued a call for papers to be presented at the conference on subjects including generating innovation, strategic consultancy, implementing technology and the modernisation of traditional industries.

Contoct TII, 3 rue des Capa-cins, L-1313 Luxembourg. Tel (352) 46 30 35.

AMERICAN MANUFACTURER OFFERS

LUCRATIVE DISTRIBUTION RIGHTS AND OPTION TO MANUFACTURE ITS

POLLUTION-SOLVING EQUIPMENT Our multi-patented equipment solve all water-pollution problems, in a matter of few minutes, WITHOUT THE USE OF CHEMICALS.

Our product credentials and list of customers world-wide is impres-

BUSINESS OPPORTUNITIES

PARTNERSHIP IN CONSULTING

We are a fast growing UK based multiservice management consultancy seeking to acquire or establish links with high quality niche specialist firms in business strategy and marketing which can expand more rapidly through our large client base and complementary services. Sector knowledge and international capability attract us. Above all we look for ability to achieve change for our clients as well as reasoned analysis.

Businesses with sales in the range £300,000 to £5 million.

STOCK EXCHANGE REGISTERED

REPRESENTATIVES

Our client, a Member of the International Stock

Exchange and The Securities Association, is an

established stockbroker, specialising in servicing the

requirements of private clients. As part of its

continuing plans, it is seeking individuals or teams

with a proven client base, who are interested in a

Applications will be dealt with in the strictest

confidence. Neither party's identity will be disclosed

ROBSON RHODES

Chartered Accountants

nagement Consultancy Division, 186 City Road, London EC1V 2NU Tel: No (01) 251 1644

COMPUTER RECRUITMENT AGENCY

successful in: Advertising, Contract and Permanent Staff placements (turnover currently £200,000 per month and rising rapidly). London based with prestigious well-spread client base.

Principals only, write to Box F8848, Financial Times, One Southwark Bridge, London SE1 9HL

s to re-capitalize and will consider minority/majority stake or posable

50/50 commission sharing arrangement.

Please write, or call, Suzanne Dobinson at

until mutually agreed.

Principals should contact us in strict confidence at Box No. F8837, Financial Times, 1 Southwark Bridge, London SE1 9HL

UNIQUE CATERING **Business Opportunity**

Network SouthEast plans to invite competitive tenders for the licence to operate train catering out of buffet cars on two major rail routes within the Network.

This is a unique train catering business opportunity.

The routes are: -

1. (ondon (Victoria) - Sussex Coast 2. London (Waterloo) - Portsmouth, Bournemouth/Weymouth

and Exeter Enterorising catering businesses with a suitable operating and financial background should write for a form of application for tender recognition to: -

Andrew Smith Retail & Catering Manager British Rail (Ref CP30) Euston House 24 Eversholt Street London NW1 1DZ



→ Network SouthEast

PERESTROIKA IS ON!

Soviet market offers many opportunities in trading and other

We are seeking principals interested in supplying consumer electronics, TV/video, personal computers, wide range of food, alcohol, confectionaries, fashion apparel, cosmetics etc... to our tax free/tax paid outlets in USSR.

Also we have several turnkey construction projects, consisting of hotels, multi-storey car parks, petrol, stations, and redovations on older buildings all for commercial usage, which may include eventual joint management on long-term contracts.

As a company already operational in USSR, we can offer several on-going projects in retail, business centres, barter-trade, to principals with established financial and business backgrounds.

Please contact in strictest confidence:-

Stephen Lowe - Managing Director Pukrva-Expocentre Ltd OY Salomonkatu 19C 00100 Helsinki Tel:- 358 0 694 7575, Fax:- 358 0 694 0535, Th:- 12 1234 fixpo st

Profitable Company making c.20.75m mpt

Involving design, manufacture, installation, and servicing, seeks merger with or acquisition of company with similar characteristics. Has management and cash resources to tackle either company in difficulties or not progressing as well as it should, capable of making not less than £0.25m npt. Manufacturing industry preferred buy anything sensible considered.

Management Consultants Ltd 18 Croftdown Rd., London N.W.S.

Humberts Leisure **Established British Leisure Operator**

seeks sites for new exclusive low density leisure concept

• 100 Acres plus with significant water component, Accessible and attractive rural setting within 4 hours driving distance from Central London,

 Outright Purchase, Joint Venture, Option, Leasehold conside Immediate funds available · No commission required Reply in strictest confidence to: J C Mitchell BSc Humberts National Leisure Division

25 Grosvenor Street, London W1X 9FE Tel: 01-629 6700

Leisure Industry, Hotels and Licensed Property Consultants

BELGIUM REPRESENTATION

Well established Technical Marketing and Sales Company with a high degree of electrical and mechanical expenses. Well introduced into all industries especially the Motor Industries especially electrical and mechanical expenses, well introduced into all historials expensely the Motor Industry. We have full office facilities with specialised staff already sticcessful in representing British companies - fluent in English, French, Dutch and German. We are prepared to guide further British companies with their separation into Our British Chairman is UK besed and would be prepared exploratory discussions.

CONTACT: Mr Harry Van Molkot or Patrick Wecks on Tel: 010-32-16-22-55-96. Fax: 010-32-16-22-91-08 S.L.B. (B.V.B.A.), RESEARCH PARK HAASRODE INTERLETIVILIAN No. 82, B3030 LEUVEN BELGIUM

COMMERCIAL MORTGAGES

REMORTGAGES

From 11% Fixed TEL 01-546 8857

able Companies With devel-ci, public flotations, PLC Bentley Umited Tel: 01-748

laybury & Company, Finance Broker 16a Si James's Street, London SW1 A Member of FIMBRA

Our equipment treat residential, commercial and industrial sewage effluents by destroying PCB's, oudising all oxidizable organics, reducing BOD and COD, de-ink, de-odorize, sterilize and DE-CO-LOR the effluents rendering it safe and legal to be disposed of.

Short term finance

for long term growth.

Vorking capital finance for

stock and work in progress. For details contact Paul A Sayers

Chambill House, 736 Buckingham Palace Road, London SW1W 9SA. 07-730 8428

CHURCHILL MEXCHANTING LIMITED

The cost of our equipment is very low when compared to other equipment, processes or methods. Our prices range from 10,000 to 300,000 USS and their capacities range from 1 M3 to 50 M3 per minute.

Due to our extensive international advertisements, we have many inquiries from many countries. A distributor stands to make sub-stantial profits, without fear of competition, while solving water

Elaborate information on this prestigious and most tucrative opportunity will be sent only to those who will send as appropriate information on their ability to handle this opportunity.

BRINECELL
MANUFACTURING CORPORATION 2109 West 2300 South, Satt Lake City (WVC). Utak U.S.A. 34119 Phone: (301) 973 6409.

**Fax: (301) 973 6463, Telex: 9102404492

. .

*2.

WANTED PLC, COMPANY OR INDIVIDUAL OF SIMILAR STANDING

Our clients are specialists in selling and coarlesting fast moving consumables, purnover \$1.2m plus, having doubled termover in the last 12 months, and are well known in their flats. Their process is the age-old one of shortage of working capital and expertise in certain fields.

The directors are willing to dispose of equity and speak with any interested party who tests they have something to other. Enquiries from principals only ac. The Gerrard Paramership List, ST Clearence St, Southend on Sea, Essex SS1 18H (Ref JN)
MARKED PRIVATE AND CONFIDENTIAL

WE WILL FIND YOU MORE BUSINESS We are a marketing/promotion consultancy which plans and implements, without bias to method or medium, whatever is necessary to increase your sales. Our professional advice is based on both affordability and awareness of costs. We follow through to ensure results.

Michael Lazarm Associates 242-244 St. John Street London ECTV 4PH Tel: 61-250 3988 Fax 61-608 0370

TV PRODUCTION FINANCE CO.

Group of businessmen with close connections with TV world wish to establish a company to take advantage of changes which will increase output from independents Looking for joint venture with other organisation with persons established in the TV industry. Approx. £1m funding required, part already in place.

Contact £E. Hamilton, Eastwood Venture, Rufford, Ollerton, Notis.

Tel: 0623-822826. FIMBRA MEMBER

COSMETIC/TOILETRIES COMPANY

Has extra capacity available for product development, formulation, filling and packing. Short or long term contracts welcomed. Write Box F8835, Financial Times, One Southwark Bridge,
London SEI 9HL

Shareholder Investor (S)

required. For young fast growing business to complete next stage of development. Contact: Mr. James Burn 0296 27178.

Intellectual Property Rights

Cash offers are invited for the fully documented intellectual property rights of the following process control, monitoring and test equipment:

INTEGRITEST-E - a machine for the automatic integrity testing of membrane filters.

an automatic tablet testing machine which tests in one compact unit, the weight, thickness and hardness of a variety of

different tablet samples. MPC 500 -

a pump meter designed to enable an operator to dispense pre-selected volumes of fluid viz a positive displacement rotary

For detailed product particulars and further information, please contact A J Barrett, FCA, at the address below,

or phone 01-236 6500.

EQUIPMENT TO THE CATERING AND LICENSED TRADES We are an established company distributing and servicing an exclusive range of specialised equipment to the catering and licensed trades. We have turnover of between

C7m and 22m.

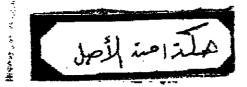
that there are other companies in complimentary fields where a beneficial to both parties in order to accelerate growth and m Piegos telephone iaio Laird on 9491-96186 or write with referent details lor iain Laird, Mackney Lodge, Brightwell, Wallingford 0216 653

I've are in process of reviewing our medium and long term potential and we rec that there are other companies in complimentary fields where a marger may grow

We are a successful trade cash & carry warehouse in the fancy goods/ reproductions business well located for central London, Heathrow and MZS. We have 7,000 sq ft spare warehouse capacity and capable management. We seek manufacturers/distributors looking for a London base. Not necessarily same trade. Any type business considered, from any country or industry.

AGENCY/DISTRIBUTORSHIP WANTED

Write Box F8847, Flauncial Times, One Southwark Bridge, London SEI 9HL



BUSINESS OPPORTUNITIES

SELL YOUR PRODUCTS IN THE U.S.A.

An international sales and marketing company can add to its distribution of housewares and lessure products in the American markets

Contact our nearest office: The wife the same of the same and the same same

0923 247776 France: 01 69 30 71 71 615 793 7466 USA:

Telephone Telefax 0923 242251 681053 01 69 30 72 30 4621018 615 793 0130

required for intermedical time Association and Consister Distribution System 38 Consister Distribution System 38 Consister Distribution System 28 Consister Distribution System 28 Consister Distribution System 20 Constant This is a unique opportunity for IBM System 28, manufacturing errother soft houses to participate to this excellent product.

For Author distalle write to Beer FSSS, Phaseand Tapes, One Seathwart Bridge, London SET SSS.

EXPORT EXPERTISE

Papend you business at no entire cost by Exportingle

If you are currently ignoring Export potential or have an Export Days
which is unconomic, why not let our expirits manage your enquries?

We already Export goods all over the world originating from hindreds of
different companies, and your goods are quid for in the Bill, before
abstraced.

ment.

For further details of our comprehensive Export service contact:
Leslie Morgan or Roy Bennett. Tel 01-422 1303 Fax 01-864 6611

PRIME REVERSIONARY RETAIL INVESTMENT PRINCIPAL YORKSHIRB MARKET TOWN 2333 mailion
WILL DIVIDE TWO LOTS 18" x - 3 to \$" - 4 " (5) ;

AH Baquiries : Mr LE. Fowler Deutson TH & Gildener Goodrich Chancery House 143 House Road, Vort. VOZ 40E

BRIDGING LOANS
SHORT-TERM CAPITAL

Very fast finance for property owners, non-status, and for my purpose. Up to 6 months, but repayable when the horrower chooses, with no hidden extens.

CASLEY FINANCE LID.

9 Artillery Lane, London BI JLR

Tel: 01-377 8484 For 01-377 0032

OFFSHORE COMPANIES FROM £150

Compare our furnishing feat: £100/125 • TEL/20 CHARLES CAN DESCRIPTION CAN DE For brokens by telen contact-WIERMANDOWS, COMPANY SERVICES LIN-Someting Plane, Market Book S. Johns, No of Sign. Jac. (MEA) 75951 Fee: (MOA) 75908.

Represented to Company Services (LEC) tal., Standards House, 224-Child Stand, London WI, Tal. 21-401 CM. Tar. 51-491 4865

MIDLANDS EXPANSION OPPORTUNITY

Company Head to 15 13 14 Widy trampton's prime industrial arts, owning promises with track arise, ownling premises: with music road frontage, adjoining Noberesty isless 3000 to 10000 as 2, identify situated for distribution/made sales and with capital systiable is looking for a sufficiel business venture in which so participate. Companies intending to expend in this area would find this to be an excellent opportunity; interested parties, please write to

Box F0845, Financial Times,
Cose Southwark Bridge,
London SE1 915.

EXPERIENCED MANAGING MARKETING DIRECTOR

Energetic entrepreneur with wide intermediated experience in merioding, developing and operating joint ventures. Manufacturing and services industries in the energy and the developing according companies with dealer to enter mediate to Husgary, Germany, Indonesia, Singapore or Germany, Indonesia, Singapora a absorbane lo dei regiona. Eurgung skilla, local acparience, confects. Willing to release His, local expension, willing to relocate from 8.W. London base.

Box F8654; Financial Times, One Southwark Bridge, London SE1-945...

Recruitment Agency

Healthy, West End company established 3 years wishes to develop by merger with filter minded organisation. Has Agency recognition and is now ready to augment its selection consultancy. Box No: F8842, Financial Times 1 Southwark Bridge, London SE1 9AL

PLC DIRECTOR seeks extra non exec oppor-

tunity or project work. Very experienced in turnaround....
Outstanding references. Replier to Box F8350, Financial Times: One Southwork Bridge; Landon SEI 9HL

MANUFACTURING/ MARKETING LICENCES OFFERED FOR UK. patented, solid state points display system which can replace all mechancial Write Sox F3849, Financial Times, Cab Southwark Eridge, London SEI SHL

....

DEVELOPMENT OPPORTUNITIES

Inventable Digase's Louding Inventious Sales Company is looking for a further few highly reconsided individuals to broaden as exhaing Development. Association with believe in Relative imposation and are willing to help develop profitable sustepoints. Reply in confidence to inventible Chairman Richard Pains 91-323 4223

SOFTWARE HOUSE specializing ENVIRONMENTAL ENGINEERING sacks to expend via MERGER, Tech/Eng Base Houses to £250K T/O. Emply to Heat FESSS, Pineschil T One Southweck Bridge, London SE1 Shil.

London, the world's greatest city: Mayfair. London's prime location: No. 3 Berkelev Square.

the perfect Mayfair address. If you would like your ffice to be at this address, at a price that you can

afford, you only have to

contact The Nightingale Secretariat, at 3 Berkeley Square, London W1X 5HG. Tel 01-629 6116. Fax 01-491 4811. and see how we could put vour business in the best location right here at the heart of Mayfair.

WANTED

Mailing lists wanted of English speaking persons in Europe, la, Africa, Pacific & Latin America. Please respond immediately by fax if possible.

Mr Shapiro, Four Way 11327 Montane Avenue, Los Angeles, California, 90049, USA. Fax- (213) 476 8662.

COVENT GARDEN OWN LABEL

London SE1 9HL

Business in trouble?

Need help/protection/£?

Fear directors' liability?

Our team of

no-nonsense

hands-on professionals

can help - fast.

Ring: 01-400 9583 24 hrs

Fax: 01-730-7077

OTC BRAND LEADER

FOR SALE

80% market share in

chemists *

£2m retail turnover

and rising

Nielsen

Write Box F8851, Financial Times, One Southwark Bridge, London SE1 9HL

DISTRIBUTOR/S REQUIRED

ONCE IN A LIFETIME

I have a quantity of never to

be repeated genuine original artifacts. Please call Tony

Oakland on Tel 0621 783108

IS YOUR BUSINESS CAPABLE OF EXPANSION?

Proven industrial skills together with substantial vestment available for the

right project.

Apply in the stictest confidence to Sick Party, Financial Times, Cate Southwark Bridge, London SET SHL,

PASSIVE .

INVESTORS

REQUIRED for newly formed U.K. property

0604 21922 (office)

CHINA TRADE

Excellent contacts in mainland China seeks additional UK companies to represent and/or

Ring 01 839 5193
For further informatio

LTD. -

development company development in France: Potential high return on inves

OPPORTUNITY

SPORTS AND retail/wholesale clothing LEISURE ... shop wishes to expand without bank borrowing. A leading company in sports 40% shareholding offered and leisure equipment, with well established distribution for maximum investment of £150,000 (over a period. channels especially in Mail Order and Discount cafapart ioan , part share purchase). Very exciting logues, seeks to represent manufacturers and suppliers of products in this Market. prospects indeed with astablished company. Write Box F8852, Financial Box F8844, Financial Times One Southwark Bridge, Louisen SEI 9HL Times, One Southwark Bridge,

HARD TO CORPORATE **BORROW?** RESCUES

No Credit Check Guarantees Provided We do not make loans Minimum \$100,00

75-20 years
The Funding Assistance
Corp.
U.S.A. (212) 755-9400
Fax (212) 755-7339

Residential and ercial Developme

Сошрану operating in the South East of England with good profit record and prospects looking for perment investor to take early stake and provide additional working capital for expansion prior to floatation. Replies to the Chairman, Box H4796, Figureial Times, One Southwark Reldge, London SE1 9FIL

ROLL-OVER RELIEF

Inyour 3 year time limit coming to an end?
If so, we can district this parted by up to 10 years
and needed your relaxestment to only 15% of
this sale proceeds. to us for details in the event that you ha disposed of events, not shares for a consideration of £200,000 }.

Box No. P8490 Placed by Trace. 30 Cannon Street, London EC4P 45 V.

BATH

Per further details please write to Box. 1885, Pleasadel Times, One Scutterark Strings, London SET SIG.

EXPORTERS

Are you getting your since of the prowing South African author, if not we can evaluate your product's potential, appoint distributors and create gains. No fees charged,

Brite Man Hollo, Phanciel These, One

London SEI 9

USM CANDIDATE? Experienced Chartered Accountant often consultancy service to Street consultancy service to Street cauding a USM Sating, Secretical practical service at your officer and serve a tortune in Secretical consultant backs accordance as consultant consultant cauding services and service as tortune in Secretical consultant cauding services and services are serviced as a service service and services are serviced as a service service and services are serviced as a service service service service services are serviced as a service service service service services as a service service service service service service service services ser Write to Sox F0000, Pinancial Times, One Sectionark Sridge, London 981 981

PATTIEPEREURS II you des annie ve about your business ides we can belp turn it into a magnetal reality. Talephone; 0222-383046 M.D. (36) storing to Merbells. Seeks to rep-resent company in area. Tel 3055 279131.

presented all worldwide rights to less fit product for sale. European Royallies abould exceed C20,000 this year. Box FSB45, Fhancial Times, One Southwark Bridge, London 3E1 Stil. OFFICE EQUIPMENT

CITY BANK MOVES H.Q. A very large quantity of Office Furniture is now surplus to requirer 1,000 people re-allocated.

EXECUTIVE SUITE OF ROSEWOOD DESKS, BOOKCASES, CREDENZA'S, BOARDROOM TABLES, EXECUTIVE/TYPEST/CLERICAL CHAIRS, SCREENS, FIRE RESISTANT CUPBOARDS ALSO LARGE CITY OF OAK AND TEAK DESKS.

PLEASE RING 01-549 9339

BUSINESS FOR SALE

TOUCHE ROSS CORPORATE SPECIAL **SERVICES**

Our Corporate Special Services Department has a network of offices throughout the UK, offering guidance on corporate care to companies in distress, as well as comprehensive services to creditors and bankers. Contact any of the partners at our main offices listed below to find out how they can help you best.

John Richards Arthur Boyd Andrew Peters Belfast David Bird Robert Ellis Robin Wilson Rainh Preece

Tel: 61-405 8799 Tel: 0232 649111 Tel: 021-631 2288 Tel: 0272 211622 Tel: 0222 481111 Tel: 041-204 2866 Tel: 0532 444741 Tel: 051-236 0941 Tel: 061-228 3456

△ Touche Ross

Balsure Limited (T/A Prime Sports) (In Liquidation)

Entire Stock of Sports Retailer For Sale by Tender

The Liquidator, C R Ashurst invites offers by tender for the entire stock of a sports shop based in Brighton. The stock includes sports shoes, clothing and accessories by major brand manufacturers.

Inventories and tender forms available from the liquidators agents, Gloucester Salerooms (Brighton) Limited, 28 Gloucester Street, Brighton, East Sussex BN1 4EW. Telephone (0273) 683437. Viewing may also be arranged by appointment with the agents.

Closing date for tenders 31 May 1989. For further details contact C R Ashurst or J W Powell

37 Frederick Place

37 Frederick Place
Brighton
East Sussex BN1 4EA
Tel. 0273 206788

Tel. 0273 206788

Humberts Leisure

Prime South Coast Location - A27m **Period Mansion with** consent for commercial, leisure and residential uses.

Principle mansion. 3 coltages. Range of outbuildings and stables.
Gardens and grounds. In all about 27,500 sq ft

Joint Sole Agents:

nal Leicure Division Tel: 01-6296700 Tel: (07982) 2081

> Golf Development Site M25 Surrev

Outline planning consent for 18 hole Golf Course and Clubhouse.

Approx 138 acres of attractive undulating land, with free draining soil. Further land could be available by negotiation

For Sale Freehold

Richmond House, 13 Carfax Horsham, West Sussex RH121AQ London W1X9FE
Tel: 040364441 Tel: 01.820 8700

Humberts Leisure 25 Grosvenor Street Tel: 01-6296700

Major Retail and Leisure Enterprise

Prime Exeter/Bristol M5 corridor with Development potential.

Retail Shops and Restaurant. Historic Working Mill and range of entertainments. Rural Museum and Working Farm.

Approx. 20,000 sq.ft. set in about 31 acres.

Detalla: Exeter Office, Tel: (0392) 211555 and tional Leisure Division, London, Tel: 01-629 6700 01/05/3113/CHD

Leisure Industry. Hotels and Licensed Property Consultants

Cavendish Coal (UK) Limited T/A Cavcoal

In Receivership

An opportunity to acquire the business and assets of Cavendish Coal (UK) Limited comprising a coal mine located in Scotland, a coal washing plant located in South Wales and several mining

The Viaduct Mine

• 50,000 tonnes capacity per annum. Coal processed through a new 50 t.p.h. dense medium

Second mine on the same site accessed by box cut ready for underground development will increase output by 50,000 tonnes Sales to both the domestic and industrial markets.

The Wenailt Washery

Modern coal preparation plant.
 Processing up to 1,000 tonnes per week of anthracite to domestic smokeless grades and smalls for CEGB.

For further information contact.

Mining Development Projects Development projects convenient to existing locations. Total insitureserves are estimated in the region of 13 million tonnes.

R. A. Johnson, Cork Gully,

Kintyre House.

Glasgow, G2 2LW.

CL

209 West George Street,

J. P. Considine, Cork Gully. Churchill Way, Churchill Way,

CF1 4XQ. Telephone: 0222-238823 Fax: 0222-223361 Telex: 497632 name of Coopers & Lybrand by the institute of Chartered Accountants in England and

Wales to carry on inv

Telephone: 041-226-4894 Fax: 041-221-8256 Telex: 779396 Cork Gully



FOR SALE CONTACT LENS MANUFACTURER

- Based in Southern Home Counties
- The company manufactures and markets a wide range of hard, soft and gas permeable
- Sophisticated computer controlled production process
- Sales circa £600,000

For further information, principals only, please write to:

Box H4792, Financial Times, One Southwark Bridge, London SE19HL

EVERGLAZE LIMITED EVERGLAZE (GUARANTEES) LIMITED

The Joint Administrative Receivers offer for sale the businesses and assets of Everglaze Limited and Everglaze (Guarantees) Limited. The companies are involved in the manufacture, distribution and installation of aluminium window and door systems, and the supply of high quality extruded aluminium for other manufacturers.

- Principal features of the two businesses include:-
- Extensive list of trade customers within the M25 Leasehold office and factory premises in London
- Access to fully trained and experienced sales
- Substantial stock
- Unaudited tumover for the 6 months to 31.3.89 over £1.9M Installation order book at 30.4.89 – £500,000

For further information please contact: John Talbot or Peter Tuch Arthur Andersen & Co.

P.O. Box 55, 1 Surrey Street London WC2R 2NT Telephone: 01-836 1200 Facsimile: 01-831 1133 Telex: 8812711

SUCCESSFUL ELECTRICAL

Prime High Street location,

very large store. Turnover Σ1 millon plus. Partnersh dispute, offers invited for business

CLOTHING MANUFACTURERS

For Sale - Established clothing manufac-turing company, based in N England, specialising in womens wear, T/O approx 22 million p.e., freehold site, modern machinery, with a stilled work-force, supplying quality garments to many UK high street household names.

Write Box H4799, Financial Times, One Southwark Bridge, London SEI 9HL

BUILDING

CONTRACTORS

T.O £3m

Old Establised. London Area Full details from sole agents

Partridge & Co. 24 Woodmere Way, Bockenham Kent BR3 2SL 01-650 3314

Haulage/Cold

Storage Co. For Sale

1 Million cu. Ft. cold storage.

Regular traffic to Germany. Six acre freehold site - Kent.

Write to Box 146310, Financial Times, One Southwark Bridge, London SE1 94L

Well known North London **Estate Agents** For Sale

3 modern outstanding offices.

Write Box H4814. Financial Times One Southwark Bridge, London SEI 9HL

Small Integrated

Advertising Company Belgium - ideal for Com-pany seeking floor level entrance to Belgian market - full professional aggrega-tion - solid customer basis - full range of services -Principals only please.

Please contact:

Roth & Partners Consultants to *M anagement* Bd du Souverain 142/13 -1170 Brussels Tel. 32.2.672.31.81 Fax. 32.2.672.74.05

FOR SALE

Trouser Manufacturing business based in Hebden Bridge, West Yorkshire

- Trading from freehold premises
- Fully equipped modern trouser manufacturing unit capable of producing from 2,000 to 7,000 pairs of trousers per week
- Approximate turnover £1.5 million p.a. Approximately 800 independent retail customers
- Workforce consisting of sixty skilled employees Specialises in flexible short lead deliveries

All interested parties should contact the Joint Administrative Receivers:

M J Moore & D J Waterhouse Albion Court 5 Albion Place LEEDS LS1 6JP

Telephone: 0532 457332 Telex: 556230 Fax: 0532 424009



Cork Gull

Cork Guilty is authorised in the name of Coopers & Lybrand by the institute of Chartered Accountants in England and Wales to carry on investment business.

Griffis Metals Limited

- > Business specialising in the reclamation of precious metals, mainly from electronic scrap. ▶ In-house shredding facilities with material content evaluation procedures which ensure maximum recovery of precious metal content.
- ▶ The equipment is designed to ensure the total destruction of all components and circuits. Guarantee and certification of secure destruction
- ➤ Tumover £1,380,000 for year to December 31, 1988. ➤ Recently refurbished freehold office and factory premises totalling 22,800 square feet at Aberbargoed, Mild Glamorgan, with weighbridge and car parking facilities.

can be provided where necessary.

▶ Security access and surveillance system with controls over all personnel movements.

For further information contact the Administrative Receiver, Sue M. Watson FCA at: Griffis Metals Limited, Pengam Road, Aberbargoed, Mid Gtamorgan CF8 9T I Tel: 0443 821771 Fax: 0443 835345

Arthur Young, PO Box 1,3 Colmore Row, Birmingham B3 2DB. Tel: 021-233 4030 Fax: 021-236 0236

Arthur Youna

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

CORPORATE ENTERTAINMENT

The Financial Times proposes to publish this survey on: 12th September 1969 For a full editorial synopsis and advertisement details, please contact:
Wendy Alexander on 01-873 3524/4893
or write to her at:

Number One, Southwark Bridge, London, SE1 9HL

FINANCIAL TIMES

Central London Refurbishment Contractor

Long established. Turnover over film. Prestigious clients. Good management team. Expansion opportunities available. Would opportunities available. Would suit a contracter looking to move into the London market. Write Box H4813, Financial Times, One Southwark Bridge, London SEI 9HL

South Coast

Based aerospace, light-engineering company. Blue chip customers. Turnover close to £21/2 Principals only. nde Counties Investments Wykin Pields, Hinckley, Leicestershire (LE10 3EB Fax (0455) 612015

PLC CLIENTS REQUIRE PROPERTY PORTFOLIOS OR COMPANIES THROUGHOUT U.K. ndustrial./Commercial/Office Property Residential Tenentod Figs/Houses Punda available trom £500,000 to £50,000,000

NEW PLC

Full details in confidence to : Red JF GRANVILLES

TEL: 01 221 4935 - FAX 01 727 5110

Company for sale. Already capitalised. Ready to trade. £3,000 TEL

RECRUITMENT CONSULTANTS

Managerial. Profits substantial & increasing. Blue chip clients. Price £850,000. etalia: Box H4923, Financial Times, One Southwark Bridge, London SE1 9HL

TECHNOLOGY

The unmanned robot which discovered the wreck of the Titanic in 1986 has come of age. What was then Jason Jr. a prototype remotely operated vehicle capable of transmitting sound and images, has become simply Jason. It underwent ini-tiation last week in the depths of the Mediterranean and transmitted the first live broadcasts, in colour, from an

ocean floor. The updated Jason is the creation of two US organisations, the privately-funded Deep Sub-mergence Laboratory at the Woods Hole Oceanographic Institution, in Massachusetts, and Electronic Data Systems in

Dallas, Texas. They have been working on Jason for seven years; the main aims are to enhance the quality of the filmed images of the discoveries deep below the ocean's surface and to improve the computerised control of the

Jason, named after the mythical Greek explorer and leader of the Argonauts, is 7 ft long. 3.5 ft wide and 3.5 ft tall. It weighs 2,400 lbs and can work in depths of up to 20,000 ft - way beyond the range of

When Jason sank into the Mediterranean last week, it went down almost without trace. The vehicle is connected to the surface vessel by optical fibre cable, which is also the medium for transmitting video signals and computer com-

As Jason descended to explore for the first time, the cable snapped. The surface vessel had to retrieve the vehicle using a sonar scanner and a remotely controlled claw.

Jason goes in search of a golden piece of live TV

Rachel Johnson describes the remote sub-sea filming of the excavation of a Roman ship

scuppered the project for a few days. Jason then sank as planned, one mile deep into the Mediterranean, to explore the deepest shipwreck to be found in this sea.

Archaeologists examining the images transmitted from Jason's three high-resolution colour television cameras believed that the vessel was probably a merchant ship. which had sunk on the busy trade route from Carthage to Rome in about the first cen-

Robert Ballard, director of the Jason project, is hopeful that Jason will be able to retrieve various artefacts from the sea bed below the old trade routes because the rate of sedimentation in the deepest parts of the sea is very slow - about I cm every 1,000 years. Part of Jason's job is to use its propel-lers to blow the sediment off

the wreck and its artefacts. Just above the sea bed, the robot is tethered to a video But this initial disaster only submarine, predictably called

the Argo, by a 500 ft buoyant cable. During launch and recovery, Jason nestles close to the Argo, but when the right depth is reached, the pilot, working in a control room aboard the surface vessel, sends computer commands to

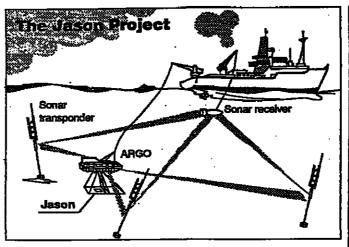
He manoeuvres Jason using various sensor and camera systems. Meanwhile, the videos on Argo film Jason as it moves at speeds of up to 1 mph across the sea bed.

Jason is powered by seven propellers, and the vehicle is steadied under water by heavy foam pads. It has claws and hooks for

retrieving objects from the sea bed; and its cameras, which can pan and tilt to film the darkest crannies of the ocean floor, are helped by high-intensity lights.

The live footage of the sea

bed, littered with artefacts from the ship, such as amphorae and cooking utensils, brilliantly floodlit by Jason's 2,000-



mitted audio signals reach watt lights, is sent back to the surface via the optical fibre cable. Then staff on board the receiving equipment operated by EDS with sound comparable to compact disc quality," says surface vessel quickly process the live material into a televi-. the company.

And the future applications

sion programme. The transmission of these programmes from the ship to the US is controlled by Electronics Data Systems staff in Dallas. The material is encrypted and then transmitted via an international satellite 22,300 miles above the Atlantic Ocean.

The worms are being shipped back to Woods Hole Full colour broadcasts are for examination, along with other specimens from the sea relayed to a network of museums and other institutions in the US. The Bush Administration has been watching the broadcasts; Dan Quayle, the Jason could be used to survey deep sites for commercial or military use. It could search for crashed aircraft and their US Vice President, watched one live transmission in a museum video room with some vital black boxes, transmitting the data instantly to the rescue of the 200,000 American school children who were seeing his-tory in the making. The Jason team for evaluation.

Meanwhile, however, Jason is still in the Mediterranean, m calls it a "global commutrying to blow the mud of 2,000 nications project."
"Despite the distances being travelled, the digitally transyears off a ship-wrecked Roman merchant ship.

of the Jason technology, EDS claims, are equally exciting. Apart from discovering the

deepest ship to be found in the Mediterranean, Jason also found some worms the like of

which the project's blologists

had never seen.

Choosing best way to assemble MANUFACTURING engineers

at John Brown, a UK production automation specialist, are using new software to optimise methods for manual and automatic assembly systems.
The software, developed

by Boothroyd Dewhurst of the US, will assess both the proposed product and the components involved to arrive at the easiest and most cost-effective technique. The company also provides training and back-up services. John Brown, of Coventry, has used the software with designers and manufacturing engineers at Ford UK. Its staff were able to suggest a number of design changes to a car pedal box unit that lifled assembly without

simplified assembly without harming the product's operating efficiency.

The way the system works is for the user to enter data relating to design, production volume, the number of components, investment policy and so on. Then the assembly at each stage should be manual, carried out by a special purpose nine, or dealt with by a programmable assembly system (one which would be capable of various tasks. under computer control).

Analysis of each method leads to an accurate ment of the cost of assembly by different.

Asking the user about software

INDIFFERENT applications software is being produced in the majority of medium-sized and large organisations because the concepts used to define quality are inadequate. That is the view of a report from the Buffer Cox Productivity Enhancement Programme, which analyses the progress

The London IT managem consultancy says that "user perception" is ultimately what matters when assessing the quality of the software, in other words, what the user believes the system should

But in most organisations says the report, those responsible for quality esurance make the mistake of equating the quality of the applications software with

its functionality (the number of clever things it will do). Therefore, they cannot hope to ensure that the system will match user expectations, because they are falling to assess such tactors as ease of use (by the user, not the designer), operational performance and flexibility in terms of changing

business needs.
From a survey of subscribers, Buffer Cox concluded that current quality assurance practices "do not guarantee that high quality applications software will be produced." What is needed is not more policing of quality, but "a significantly extended definition of what a high quality system entail.

The report provides

guidelines for improvement based on the best practices found in the organisations

From diesel to alcohol

IMPERIAL Chemical Industries (ICI) is promoting an additive for alcohol fuels, called Avocet, which enables diesel engines to use them. A trial is under way on 12 buses in Los Ange

in the US, diesel buses and heavy trucks are regarded as serious air poliution offenders. The Environmenta Protection Agency estimates that the fumes from one bus are equivalent to those from 500 care. 500 cars.

Although methyl alcohol, or methanol, has long been recognised as cleaner than diesel, its use has required expensive modification of the engine to achieve satisfactory ignition.

ICI does not reveal the chemical composition of Avocet, but says that a small amount added to the fuel and a minor modification to the fuel supply system can achieve "the desired quickly and economically."

Lower price satellite systems

INMARSAT, the international satellite operator with investors from 55 countries, has commissioned inmos, the UK semiconductor company, to study the fechnology needed to integrate satellite mobile communications and navigation facilities into a single compact terminal.

To date, ship and airborne.

WORTH

Edited by Geoffrey Charlish

have developed separately from satellite navigation, even though users frequently need both. Combining them could halve the total cost of on-board equipment, says

Inmos, now part of SGS-Thomson, is the developer of the Transputer, a parallel processing chip which will be used in the

project. Phase one will seek to Integrate Standard-C, Irmarsat's new mobile the mobile segment of the US Global Positioning System. The same analysis is also likely to be conducted for the Soviet navigation

in the third phase, the objective is to build an integrated Standard-C/GPS demonstration prolotype. Some 8,400 ships use Inmarset facilities and the organisation has extended its activities to sircraft.

A barrier to weed growth 🛴

WEED growth along roads -and pavements can be prevented by Typar Biobarrier from Reemay Inc of Old Hickory, Tennessee, a product initially researched by Battelie Pacific Northwest

Laboratories the US.
A herbicide that inhibits root growth is merged with synthetic rubber or polymer to form a "geotextile". The fabric is buried in the ground and then slowly releases the herbicide over as much as

Testing time for a lift truck powered by hydrogen

oyota of Japan, the world's third largest maker of lift trucks, has developed a forklift powered by hydrogen.

The company has one demonstration model of the MH on test. It says, however, that a number of technological and cost problems must be overcome before it can be offered commercially. The forklift, which has a conven-

tional four-cylinder engine, is designed to be virtually as clean in operation as

an electric-powered truck, but to offer more power and easier replenishment Alternative sources of power in lift trucks are engines fuelled by diesel or by liquid petroleum gas (LPG), and motors driven by electricity supplied

battery recharging and this must usu-ally be done after every shift of eight to 10 hours. The operation period can be extended by installing two batteries, but in big trucks these batteries can cost up to £3,000 each.

Toyota says that the MH is 30 per cent less powerful than an LPG truck, but 50 per cent more powerful than an electric vehicle while being almost as environmentally clean. The principal emmission from the MH is steam.

Refuelling of the MH takes about 30 minutes. One of its main technical problems, though, is that it operates for only four hours between refuelling. Toyota says this will be improved.

Manufacturers using forklifts on their about the safety aspects of the MH, given the combustible nature of hydrogen. Toyota says that the design of the MH fuel unit makes it safe to use.

The MH employs an iron and tita-nium metal hydride alloy (from which the MH name is derived) for fuel stor-age and release. This was developed by Toyota and Nippon Steel. The alloy is in powder form. When cooled or pressurised in a hydrogen

atmosphere, the alloy absorbs hydrogen into its crystal lattice-work and emits heat. When heated or depressurised, hydrogen is released and heat absorbed. Heated coolant water from the forklift's engine is forced into the alloy, driving the hydrogen out and into the engine, which is normally fuelled by LPG. According to the company, the

stantial exhaust emissions. Electric shop floors are likely to be worried metal hydride alloy it uses offers trucks are clean but less powerful.

They also require up to 12 hours for given the combustible nature of hydro-

The tank holding the hydrogen sits towards the back of the truck and replaces the standard metal counterweight that keeps the vehicle balanced when heavy objects are loaded on to the forks. The hydrogen would have to be replenished from a cylinder.

Forklift operators already have a choice of a wide variety of models with a broad range of specialist features and power sources. It might, therefore, be open to question whether Toyota can make its hydrogen-fuelled machine operationally viable and then persuade companies to use it.

Nick Garnett

BUSINESSES WANTED

WANTED FOR REVERSE TAKEOVER

Quoted company with property or circa £5m - £10m. Suitable for £20m reverse takeover.

Box H4807, Financial Times, One Southwark Bridge, London SE1 9HL

A Rapidly Expanding Authorised Institution

seeks to acquire profitable institutions in the Finance, Company, Banking, or leasing sector. Balance sheet size £1m - £100m. Existing management to be retained and well rewarded.

All replies in the strictest confidence to: The Chairman, Box H4817, Financial Times,

WANTED -

Medium sized specialist mortgage and associated personal finance company, long term relationship with prestigious City institution.

Write Box H4804, Financial Times, One Southwark Bridge, London SE1 9HL

based in Bournemouth is looking to expand by acquisition and seeks a corporate purchase in the region of £4 million. Any field or location considered, sensible proposals only.

Fully listed pic seeks acquisitions, private companies with not profits in exec of £350% pa and growing. Areas of particular interest are: Plant Hire, Building/Construction, Transportation/Distribution, Packaging, Pub/Hotel Outfitting, Garages, Waste Disposal, Employment Agencies.

If you are considering a disposal, piease forward sufficient information to ascertain the viability of an early meeting. Confidentiality assured. Write Box H4801, Financial Times, One Southwesk Bridge, Louisan SEI 9HL.

MANAGEMENT COURSES

Are you running a growing business and wondering what to do next? Sharpen up your management skills on our BUSINESS GROWTH PROGRAMME

a short business development course for busy owners, and a short business developments.

Courses start in June and are run at 6 different venues in and the second of the second o

The Enterprise



Cheviot Asset Management Limited

are please to offer an opportunity to acquire all or part of an expanding Group designing and man-ufacturing materials' handling equipment systems. T/O £12 million. Management to remain. Principals only. Write for further information to Cheviot Asset Management Limited, Devonshire House, 146 Bishopsgate, London, EC2M 4IX

Cheviot Asset Management Limited is a member of The Securities

METAL FABRICATOR A progressive private company wishes to acquire a metal fabricator with a proven record of top quality service preferably in the pharmaceutical, food

> Write to Box H4811 Financial Times, One Southwark Bridge, London SE1 SHL

Private/Family Company Our client, an experienced businessman with access to funds, wishes to buy a company preferably with tow borrowings. Business sector not important. Sales turnover around £1m to £4m and profitable.

Please reply to ref AS/PL MacIntyre Hudson-Accountants, 8/12 Priestgate, Peterborough PEI LIA

Expanding Warehousing/ Industrial Cleaning Co

wishes to merge or buy Man-chester area based warehousing company with approx. 40,000 sq. ft. plus of surplus warehousing capacity or would talk to other companies with surplus apace for expansion/diversitioation. Inter-esting altreton.

Write to Box 14802, Financial Times, One Southwark Bridge, London SE1 9HL

WANTED TRAINING OR CONFERENCE MANAGEMENT BUSINESS with established T/O of £200K +

call Dudley Masters UK TRAINING CENTRE 01 483 2384

SALE **Duncan Aviation**

FOR

AIRCRAFT

87 Citation SII S550-0009 51 Canion Sil SSS-0009

52 Leaglet 55-024

51 Citation II 550-310

51 Embraer Bandeiranne 110-342

52 Leaglet 35A-171

75 Leaglet 35A-171

75 Leaglet 35-013

75 Leaglet 35-008

(402) 475-2611

from batteries. Diesel and LPG trucks produce sub-**BUSINESS SERVICES**

ENTERTAIN YOUR CLIENTS HELDER AT THE 150TH HENLEY ROYAL REGATTA

LAST FEW CHALETS LEFT. WE HAVE THE BEST PRICE AND BEST PACKAGE FOR YOU.

- OUR HOSPITALITY VILLAGE PROVIDES YOU WITH: * Private glass fronted luxury chalet (with garden area)
- * Pisms & Champagne Reception
- * Jazz band and television
- * 4 course gournet lunch (silver service) * and such, such some Call Henley Hospitality Regatta Ltd on O1 386 9189 or O1 386 9369 for more details

Buving or selling a business? We'llcover your

When you sell a business or go public you may have to give warranties and indemnities which could render you liable for damages as well as legal expenses, even if you are not at fault.

This liability can be insured under our Warranty and Indemnity Insurance Policy. For more information contact:

and to book your chalet at this summer's most popular and glamorous event.

Warranty & Indemnity Warranty Insurance

DIRECTORS Marshall's Court, Marshall's Road, Sutton, Surrey SM1 4DU.
Tel: 01-661 1491 Telex: 8951673 EPISL G

egional offices: London. Burningham, Hakifax. Glass

COMPANIES * UK & Workstride

* Ready Made

* Ready Made

* Rescribes: Company and Personal

* Status Reports

Free advice & brochure

FALCON BUSINESS SERVICES

* Unions & Unions Street /ictoria House, 25 Victoria Street Liverpool L1 68D

Tel: 051 236 3443 (24 hrs) Fax: 051 255 1050 Telex: 626179 FALCON G.

LIMITED COMPANIES UK, International & Isle of Man

Licensed Credit Brokers Whiteladies Road, Bristol BSB 20N Tel: 0272 743710/743535

BUSINESS AND ASSETS of solvent and insolvent companies for sale. Business and Assets.

Tel; 01-935 1164.

SERVICED **OFFICES** Prime locations in Weybridge, Guildford, Sevenoaks and Tunbridge Wells. PILOT PROPERTY MANAGEMENT Chichester (0243) 778494 The Regus Centre London Executive Offices

Conferences Club Restaurant

COMMERCIAL FINANCE Competitive Rates
11% Fixed Interest Mortgages
Business Finance to 80% of cost
Asset-based Finance
Construction Finance to 100%

28 Bedroom Hotel, Central Bordeaux Recently refurbished on a main route sear the river. Covered parage with possibility to add further to bedrooms. So cover restaurant. Price £650,000 ldealbour Limited, Kansington House, Suffalk Street, Queenseay, Berningha BI ILN, Tel: 021-643 4577

EAST MIDLANDS Town Centre Hotel For Sale 40 Beds £2.5 million

FRANCHISING START YOUR OWN BUSINESS Over 120 exhibitors afforing bus, opp., at the NATIONAL FRANCHISE EXHIBITION 19-21 MAY 83, FREE sembrars. Olympia 2, London Wild Fri, Sal 10-6, Sun 19-6, Adm, El. Tel 01-172 1929

SUBSTANTIAL FINANCIAL HOLDING

DEVELOPMENT PHASE IN THE LEASING INDUSTRY IN THE U.K./EUROPE/NORTH AMERICA SEEKS: Acquisition of profitable small to medium size

Write in strictest confidence to Deputy Director, Box H4808, Financial Times,

THINKING OF SELLING? **EXCITING UNUSUAL OPPORTUNITY**

This is an excellent opportunity to become part of a progressive Group which

This is of particular interest to owner managers with comagnies earning pre-tax profits of more than £250,000, who wish to continue their lavolvement and further develop their company.

A very flexible approach is adopted to satisfy the consideration payable.

is one of the largest independent stockbroking firms specialising in private client business. We are controlled and managed entirely by established London Stock Exchange Members.

We seek to acquire Stock Exchange firms or Members who believe, as we do, that the future of the profession lies in strong independent firms.

All enquiries will be treated in the strictest confidence. Please David Howard, Managing Director, Charles Stanley & Co. Ltd., 18 Finsbury Circus, London BC2M 7BL

(Member of The Securities Association and The Stock Exchange)



Financiers

URGENTLY REQUIRED THORNCLIFFE LIMITED IS a fast growing today's meaning mention financial needs.

In the first instance, please write (Principals only) to: Managing Director, Thomciffle Finance Limited, Thornelifle House, Russell Street, Stroud, GLOS,

From £1,000,000 to £20,000,000 Available. Agents retained where песеззагу

EFFECTIVE. DEDICATED MANAGEMENT TEAM SEEKS COMPANY ACQUISITION UP TO \$1,000,000 CONTACT MRS C. HOGAN OR J. SMYTHE ON 01-548 5011

commercial interests. Market capital of

Enquiries to:

One Southwark Bridge, London SE1 9HL.

acting either as broker or principal to form

Public Limited Company

Telephone 0202 752684 Fax 0202 700599

PLANNING FOR GROWTH?

Telephone Sarah Healy on 01-627 4991 for information and registration details.

Partnership

risk Commercial **Mortgage Funds** ★ 1.5% above Bank base (present equivalent rate) Interest only ★ Institutional lender ★ Most types of property acceptable (except sporting facilities or clubs) Limited status facility for small units (Capital

Repayment)

COMPUTER HIRE From £26 per week Whether you need to hire for a week, a year, or longer, you'll be glad you found us RENTAL SYSTEMS LTD

For details contact:

Redcliffe Associates

Corporate Finance Ltd.

AVIATION BUSINESS CONSULTANTS

01 247 5463

Airport, Airline and Aircraft - Feasi-bility studies, acquisitions, disposals, management, development, catering and hotels, personnel and marketing. Century House, Reading St., Tenterden, Kent, England, Tel 023383641 Fax: 023383661 Telez. 966159 DIRECT MAIL LISTS & SERVICES 199'S of reedy-made lists immediately avail Suppliers to leading UK companies. catalogue. Market-scan, Freepost-chester, Sussex Tel 0243 786711

IIIEXPRESS COMPANY REGISTRATIONS LIMITED Spiranti House, 25-35 Oty Att, London EC1Y LAN Releptore (11-588-3271 - Reles 887475

Regional Property of the Control of

Tradaigar Square 01-872 5959
• London • Stockholm • Copenhagen •

SOVEREIGN INSURANCE CONSULTANTS (LONDON) LTD Tel: 91-379 6322 Pax: 91-379 4152 (FINERA)

> **HOTELS &** LICENSED **PREMISES**

Write to Box H4800, Financial Tanes, Out Southwark Bridge, Lendon SEI 9HL

COMPANY CURRENTLY UNDERGOING AN ACQUISITION-

leasing company engaged in operational leasing of equipment. Continuity of management desired to share in future growth resulting from strong financial

One Southwark Bridge, London SE1 9HL

A successful MBO which is heading towards the market in 1990 is seeking to acquire companies DISTRIBUTING/PROCESSING STEEL, ENGINEERING, BUILDING and PAPER products.

 Owner managers an opportunity to unlock their investment whilst continuing work in the company.
 Continued individual company identity Further capital for company expansion Possible Main Board appointment

Write to Box H4768, Figancial Times, One Southwark Bridge, London SEI 9HL

CHARLES STANLEY

We can offer eash or quoted paper for the right business, and a secure professional environment for the active Member.

We are currently undergoing a substantial acquisition/development phase, and as such, we urgently require profitable Contract Hire/Finance Companies to enhance our growth. INTERESTED?

Commercial Property Portfolios and Companie Write Box H4751, Financial Times, One Southwark Bridge, London SE1 9HL

Cannes Film Festival kicks off with deadpan derangement

herty, equality, frateralty. Two-hundred years after the French
Revolution, I am willing to
present a Golden Guillotine
award to anyone who can find these
likels at the Cannes Film Pestival For most of us, cast into the inner darkness of round-the clock movie theatres, liberty is a forgotten privilege.

ATCHIN Equality at Cannes is on a some are more equal than others basis, depending on the colour of your accreditation. (Pink card good, pink with gold blob better; most others terrible.) gold more returning to their verifies.

And brotherhood? Sacré bleu. Witness the fight to get into a hotly-tipped film.

or even to get to the front of the queine for press-box keys — and you realise that not since the days of Robesplerre have so much blood and invective been split in the interests of European culture and elvilisation.

Still, the festival goes on. Ami who Still, the testival goes on. And who would miss it? This year, the stars are numberless as ever: Meryl Streep, Nick Nolts, Anthony Quinn, Omar Sharif thus far. The directors with new films include Scorsese, Coppola, Skolimowski, Schapiel and Hugh Hudson. And the Cames sea-front is bursting with strange erections: including two side-by-side payillous, belonging to Britain and the US, which resemble the work of a mad origanii artist afflicted with giantism.

And the movies? To date, these show a bracing fordness for comedy. Fastest out of the starting-blocks have been Ettore Scole's Spiendour and Steven Sonderbergh's Set, Lies And Videotope. In the first, the veteran Italian director (Le Bal, The Family) casts Marcello Mastroisumi as an agoing cinema owner recalling his life in chunks of flashback. He meditates on movies, marriage (to Marina Vlady) and the motherland, where il fascismo still thrives in the property sharks who try to grab his lovely but ever emptior theatre.

In-jokes galore here for festivalgoers. (They roured at the scene of Mastroianni instructing the local critic what to write to puff a new film.) But also wit and wistfulness for everyone: right up to a last scene of snow falling in benediction, through the cinema's sliding roof; on the heads of those attending

Ser, Lies And Videotopes show what has for many replaced cinema. Home video. In a comedy of deadpan

round the flame of an amateur video
nut (James Spader) who likes to record
sexual confessions. "Do you get off on
watching women talk about sex?" asks
beautiful, indignant Andle McDowell (formerly Jane in *Greystoke*). "Yes" he replies. So there, Soon Andie is victim number unapteen, and her kusband and sister also climb into the plot. The dialogue has an addled brio and piquant eroticism all its own, and only a

comedy turning into mandlin
psychodrama — lets the film down.
The Directors Fortnight began with
a fleet-footed farce from Italy's Roberto
Benigni, last seen as the pidgin-English-speaking crackpot in Down By Law. Writing and directing
Il Piccolo Diavolo, he also stars in it: as
a pintsize devil exorcised out of a
woman's body and spending the rest
of the film plaguing the priest responsible
(Walter Matthau, dubbed). Funny and full of charm. Meanwhile US film-maker Jim Jarausch, last seen directing Benigni in *Down By Low* (it's a small world), offered us Mystery Train. Here loopiness vies with longueur in three interspliced tales of oddball visitors to Memphis,

derangement, three moth-like lives flutter round the fiame of an amateur video Tennessee. A Japanese couple, an Italian lady and a trio of hoodlums have kooky adventures in Elvis-town, aided by many chortles but some yawns from the

> Add to these ribticklers the annual down-market fare in the Market — this year's titles include Rabid Gramies and Lobster Man From Mars — and you would suppose that Cannes is a laughter cure for Ageing Film Critics and Tired

> But leap not to conclusions. We are But leap not to conclusions, we are about to be hit by the heavy stuff. As I write, the first two juggernauts have rumbled into town and they are Hugh Hudson's Lost Angels and Denys Arcand's

Both are modern-dress passion plays and both bulge with piety. Hudson's first movie since Revolution clothes in swirling colours and camera-mov the tale of a teenage boy (Adam Horovitz of the Beastie Boys) pitched into a Los Angeles remand home by uncaring parents. He runs away, goes back, runs away again — all because no one loves him except shrink Donald Sutherland. whom age, white hair and gravel voice are now fast turning into Raymond Burr.

Dazzlingly shot on a wide screen by Juan Ruiz-Anchia (House Of Games), the film is a grand-opera treatment of a soap-opera script (by Hudson's fellow Briton Michael Weller). The boy's overdrawn skirmishes with Gangland I. A. are like West Side with Gangland, L.A., are like West Side Story without the songs, Philippe Sarde's music pumps out Dolbyised doom, and the adults' are shamelessly caricatured as knaves or ninnies who have all — save Saint Donald — lost touch with the Truth of Youth. More work spent on humanising the story, and less on recklessly hyperbolising it, might have produced a bearable film.

Jesus of Montreal's pieties are subtler.

Spiked with satiric giggles, this French-Canadian movie from the director of yesteryear's Cannes hit Decline Of The American Empire gives us a New Testament for the yuppie age. "Jesus" is a young actor (Lothaire Bluteau) who gathers four fellow-thesps around him to perform a Passion Play. A tres radicale one: it hits out at the Scribes and Pharisees of modern Montreal, from payola local politicians to doctrinaire priests to advertising moguls. For his sins, our hero himself ends up "crucified," his dream ended but his disciples still alive to continue the work.

There is something repulsive about a Cannes audience, attending the most commercially underwritten event in the world, chortling with delight at cheap jibes about commercialism. (A model "walks on water" to advertise a perfume: an agent for TV ad-spots is the modern Satan, tempting the hero with the world's riches from the top floor of a skyscraper.) Arcand's movie, for all its cunning and sophistication, is at heart a sample of the New Piety. Down with the market economy: up again, please, with a re-heated 1960s radicalism. The Cannes audience – which seems to belong for ever in the 1960s – cheered it to the

far were awarded to a more deserving movie: Lawrence Of Arabia, which gala-opened the festival. Shimmering out of history, David Lean's restored 25-year-old epic — golden, grandiose and three and three quarter hours long stands amid the rest of the Canes line-up like Babylon set down in Balham The film opens in Britain next week: more then. And more from Cannes scone:

Nigel Andrews

Italians in London

William Packer visits the Accademia Italiana and Grob Gallery

كنتو تريعي ين

े स्त्रामहत्

fed grows

Secretary 2)

4781 - 78

5 10 2 TO 1979

--- 4 TANK

Te:B

- 1,14062

Filtrat of the

AN ESS. 2.30.

マッピロンで 森宝宝

The state of the s

and the second

ASSESSED IN THE

major new gallery or institution in London is always to be welcomed most especially if it addresses fiscil to a particular cultural tradition or the Accedemia Italiana achievement. The Accademia Italiana - delle arti e delle arti applicate - lately installed, with the help of Glam, in a splendid new home at 24 Rutland Gate, SW7, makes clear enough by its title what its purpose is.

Its inaugural show is given to the work of the painter, Giorgio Morandi (until May 23: sponsored by the BOND group), who died in 1964 at the age of group), who died in 1964 at the age of
74. He has long been celebrated for the
particular qualities of his work, the
quietism, and abstracted, repetitive
simplicity of his still lifes, insistent
as a mantra. But, just as the Italian
school from which he sprang was, in
the received wisdom of modernism, no
more than a side show, so was he no
more than a sport, distinctive and
indeed distinguished enough to be ery possessed of an impenetrable, monnoted in any self-respecting public uniantal ambiguity. The perspective is
collection, but then passed over. The out of kilter, the light heavy, the space
last and only major retrospective palpable.

ists to be restored to their proper place alongside their great cubist and expressionist contemporaries. Then, in the 1990s, we have seen the metaphysical painters, and Giorgio de Chirico above all celebrated as something more than the mere fore-runners of surrealism. All this has lately been amply confirmed in major exhibitions of modern Italian art, at the Royal Academy earlier this year and currently at the Palazzo Grassi in

Venice.

And it is in this context, set among his peers, that Morandi has emerged as a true star. But no anthology or survey show, no matter how thorough, can give the whole story, artist by individual artist. It is therefore a particularly happy chance that brings the fuller show to London at this juncture, though for so short a stop on an international tour -it has come from Finland and Russia, and goes on to Locarno, Tubingen and

Dusseldorf.
If the futurists may be seen to ical and polemical aspect in Italian early modernism, so the metaphysicals sany monermum, so the metaphysicals stand for its obverse; private, mysterious, suggestive. Theirs is an hallucinatory world invested with a mood of feverish stillness and clarity, its imag-



last and only major retrospective palpable.
exhibition in this country was at the Coming to all this at some Royal Academy in 1970.

All that has now changed First, in tentative flirtation with cubism, agined world of de Chirico or Carra, but he joined in at the point of interest in the concocied tableau, the symbolic, real yet unreal still-life, the milliner's model in a box. For him it was then but a small and easy step to the still-life proper, so pure and simple as it became under his hand. And his continuing importance to Italian modernism lies in the simple fact that, mutatis mutandis, he alone remained the true, or at least unmodified metaphysical.

De Chirico, after his own distinctive fashion, moved towards a thorough-going surrealism, Carra and Sironi broadened their scope to embrace a nostalgic and symbolic classicism. Only in Morandi, in that endless succession m soranoi, in that endiess succession of simple arrangements of jars and pots, cups and beakers, stated with so exquisite a refinement, do we still find, even into the 1960s, that acute concentration of imaginative experience that was the true mark of high meta-

physical sensibility in those years before 1920.

That Morandi was not only a painter of still life, but also one of the century's



Bambino Ebreo, wax over plaster, by Medardo Rosso

he was able to carry that metaphysical spirit and sensibility into work that was apparently so simple and straight-

In the landscapes the handling is perhaps a little looser and more obviously expressionist, and the colour brighter, but the structure is always as physical sensibility in those years before 1920.

That Morandi was not only a painter of still life, but also one of the century's falls across the wall of the house in the sunstine as upon the shelf in the quiet gloom of the studio. The pinks and greys, the pale yellows and terracottas of the pots shimmer as perfunctory, the effect oddly disturbing.

insistently together as the more variegated greens and browns of the landscape. The paint is full, the texture soft and rich. And by the simplest means all there is to be said is said, of form in space revealed by light. It is all

restored to the spotlight by the Italian shows nor in having a current London show to himself. Medardo Rosso (at the Grob Gallery: 20 Dering Street W1: until the end of June) was a sculptor, 32 years Morandi's senior, whose work holds an important place in the story of modern sculpture, most especially in the 1890s as it moved from impressionism and symbolism towards expression-ism. He stands in sort as a marker to the new century, and he rightly figured at the start of both the big survey

From a freely modelled naturalism close to that of Rodin, he became intrigued by the possibility of register-ing effects of light and atmosphere through the medium of sculpture. His through the medium of sculpture. His imagery grew ever more fragmentary and impalpable, the presence of a head or face more suggested than realised, the human presence itself, by extension, momentary and fugitive. He abandonned the modelling orthodoxies of clay and bronze for the more mallerlies.

The Voysey Inheritance

ROYAL EXCHANGE, MANCHESTER

Harley Granville Barker's play is labelled a comedy, and indeed it has many good jokes and it ends, as comedies should, with the long-delayed association of a loving pair. But it is richer in important ideas and trenchant thoughts than many a modern comedy

Edward Voysey (Robert Glenister) is his solicitor father's partner. One morning, as they prepare for the day at the office, Mr Voysey (to whom James Maxwell gives an almost aristocratic polish) asks his son what he thought of the papers he had given him to

What the papers had told was that Voysey had for years been gambling with his clients' money, reinvesting their investments and giving them what they should have earned and no more. On the strength of this, he had built a prosperous upper-middle-class life for himself and his numerous family. Edward, a decent, simple young man, is naturally horrified.

This situation snakes throughout the play with fasci-nating variations. We hear that Voysey had inherited it from

that Peacey, his clerk (Milton Johns), has known about it for years. Must Edward join in the defalcations? Is it not possible to clear the shortages and carry on an honest trade? But so many people have expecta-tions to be satisfied! Honest dealing won't make enough to

Edward is doing his best when his father suddenly dies. What now? At a family gathering after the funeral, he tells them what has been going on. The firm can't manage, but I shall do what I can, and that means I shall want as much as I can get from you. This is a fine scene. We have met the family before, at dinner with the old man, where we see Booth (David Allister), the shouting major, his godfather George Booth (Ralph Michael), Hugh (John McAndrew), the liberal artist, and among many others, Alice (Harriet Bagnall) who has a weakness for Edward. But they are a differ-ent lot when they are faced with the possible loss of their

Eighteen months later, Edward (who brushes his hair nating variations. We hear that Voysey had inherited it from his equally dishonest father; progressively more tidily as he becomes more respectable) is still trying to keep everyone

happy on his reluctant dishon-esty. His father, now commemthe firm square but preferred to go on making money, we hear, will Edward do this? No. for old George Booth decides to take his business away from the firm: Edward is not like his father. This is followed by another family scene, where old loyalties are wearing thin. Booth, who regards money as sacredly as his shouting godson regards honour, makes an but may ruin Edward. There is much tangential discussion of

Hugh's decision to separate

from his wife, and finally of Alice's resolve to marry Edward We do not know at the end whether Edward will be taken to court or not (his celebratory kiss for Alice is hardly warm); but we have heard a tricky case argued from many aspects, and we have seen a fine production under Gregory Hersov's direction. The playing is first-class, and the writing is like Shaw but better, for the people are less Shavian, more individual. Michael Holt has designed properly self-satisfied office and home scenes.

B.A. Young

Sweet Shop Owner

Graham Swift preceded his dereck Productions have award winning Waterland with adapted the novel for the stage, this meticulously pointilliste study of reticence.

The shop keeper has been installed in business by his wife — cool, reserved, unreachable and unreaching — as part of a role playing bargain understood by both. Their marriage never admits an underlying love, nor do they openly acknowledge their consciously acknowledge their consciously created relationship — he apparently humble and clumsy, a failure; she beautiful and dominating.

The give and take, revelations of surprising strengths and unexpected weaknesses misunderstood by outsiders, even their daughter, make up the delicate texture of contra-dictions and paradoxes.

The director Phelim McDermott and the company dereck,

May 12-18

currently gracing Sauchiehall Street's Third Eye Centre for Glasgow's Mayfest. Julia Bar-dsley, the company's co-founder with McDermott, and herself directing successfully herself directing successfully (notably at the National), has designed the set an L-shaped counter with empty shelves that gradually fill with sweet jars as the action progresses.

The collaborators have a distinguished track record but lifting such an elliptically introspective work from the page and turning it into too too solid theatrical flesh results an in air of precious contrivance. Condensation and impressionism do not always make

for clarity. Those who have not read the book may be confused by the novel's reported speech placed unaltered in the mouths of the characters, who accordingly use the third person. The sweet shop assistant Mrs Cooper refers in a few lines to her employer's wife and daughter

The background of several characters is omitted or barely hinted at: I suspect the shadowy figures of the estate agents left a few spectators bewildered as to their precise purpose and function. Pruning the text, allusive and self-refer-ential on the printed page where the reader can establish his own pace, is less lucid than mystifying in the theatre; as when, apparently for no rea-son, Mrs Cooper remarks "Yes, it must have been beauty." All very cryptic, very significant, and, given the occasional inaudibility of the actress playing

the wife, finally irritating.

The production makes a brave stab at the right style, but it really is a rash enterprise to stage a work where so much depends on inner mono logues, on carefully selected physical description, on every remark being weighed down by emotional baggage. The final impression is less eloquent than exquisitely exiguous.

Martin Hoyle

CORPORATE ENTERTAINMENT

The Financial Times proposes to publish this survey on:

12th September 1989

For a full editorial synopsis and advertisement details, please contact:

> Wendy Alexander on 01-873 3524/4893

or write to her at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

ARTS GUIDE

OPERA AND BALLET London

Royal Opera, Covent Garden.
The latest showing of the splendidly exotic Andrel Serban production of Throndot is conducted by Stephen Barlow, and the cast includes Olivia Stapp, Lando Bartolint, Yvonne Kenny and Willard White. Peter Hall's celemated Glyndebourne production of Albert Herring is borrowed for a first London showing.

Roser Norrington conducts, and Roger Norrington conducts, and the cast is the original one.

Cuatelet. Francis Poulenc's La Voix Humaine, a one-act lyrical monologue by Jean Cocteau. Ensemble Orchestral de Parisis conducted by Serge Baudo in a new production by Alain Franon, the woman represented by Gwyneth Jones (4022223). Thefitre des Champs Elysées, San Francisco Ballet dances Sucan Lake. Choreography and artistic direction by Helgi Tomas-

Teatro Dell'Opera, Mauro Bologntal's production of Francesco Cilea's Adviana Lecouveus, with Raina Kahaivanska and Alberto Cupido (46.17.56).

Teatro Della Pergola. John Cox's production of Mozart's Idomeneo. production of muzic s toumenes, conducted by Myung-Whun Ching, with Dano Raffanti (Ido-manse), Dolores Ziegler (Ida-mante) and Mariella Devia (Ilia)

Teatro la Fenice. Wagner's Parsi-ful, conducted by Giuseppe Sino-poli, with the choir of the War-saw Philhermonic and the Piccoli saw Phinarpoinic and the Pictor Cantori Veneziani. In the cast are Wolfgang Brendel, Pamela Coburn, Julia Conwell, David Griffith and Kurt Rydl. (5210161).

Opera: Theater des Westens, Leonard Bernstein's opera Cun-dide, produced by John Dew will have its premiere this week. The cast includes Jane Glesing, iris Vermillion, Patricia Johnson, Wolfong Troutien and Decal Wolfgang Trautwein and Donal George. Cost fan Tutte in Götz George. Cost fan Tuite in Gôtz Friedrich's production features Eva Johansson, Mariana Ctorom-ila, Carol Malone, Alan Titus and Gerd Feldhoff. Etgoletto has fine interpretations by Angela Denning (Gilda), Ingvar Wixell in the title role and Victor von Halem (Sparafucile).

Opera, Wolfgang Ribm's opera Die Hamletmaschine, producedby John Dew is an important contribution to the development of modern opera. Der Liebestrank is sung by Marie Mclaughlin, Jerry Hadley, Rolando Panersi and J. Patrick Raftery. Robert Hale repeats his much praised perforamnce in the title role in Der fliegende Hollander. Dormrös-chen has wonderful John Neumeier choreography.

Opera. Cologne honours the great producer Jean-PerrePon-

nelle, who died last year, by res-taging the complete Mozart cycle of seven operas, all produced by him. This week's performance includes Don Giovanni with Ferrucio Furlametto in the title role, Carol Vaness, Ashley Putnam and Ulrich Hielscher. Bigoletto has a new cast led by Benito di Bella, Janice Hall and Juan Lloyeras. The ballet Nussknacker und Der Mausekönig rounds off

Frankfurt

Opera. Fire will have its premiere, danced to choreographyby Laura Dean, William Forsythe, Daniel Larrieu, Amanda Miller pamer Larrieu, Amanoa Miler and to music by Laura Dean, Jean-Jasques Palix and Tom Wil-lems. La Boheme returns with a star cast led by Fiamma Izzo d'Amico (Mimi), Maren Huffstodt (Musetta), Ketth Olsen (Rodolfo) and Ryan Schemayder (Marand Ayan Scheknayuer (Mar-cello). Der fliegende Holländer convinces thanks to Simon Estes outstanding in the title role. Alte Oper. Elektra features Janet Hardy in the title role, Helena Doese, Bodo Brinkmann and Udo Holdorf.

Munich

Opera. Fidelio has a first rate cast led by Sabine Hass, Julie Kaufmann, James King and Claes H. Ahnsjoe. Madame Butterfly is sung by Kelko Kame-gawa, Gudrun Wewezow and Eduardo Villa. Toscz features Eduardo Villa. Toscz features Natalia Troitskaya, Peter Dvor-sky, Silvano Carroli and Hans Guenter Nöcker. *Le Nozae di Figaro* is well cast with Margaret Price, Ann Murray, Helen Don-ath, Alan Titus and Alberto Rinaldi. Schwanensee is choreo-graphed by Peter Wright.

Opera. Rhapsodie/Theseus and Ariadne are both choreographed by Youri Vamos. Last perfor-mance of Die Fledermaus, Tann-hauser stars William Johns, Heinz Sotin, Gabriele Benackova, Nadine Denize and John Broe-cheler. Also a concert version of Bellimi's rarely played I Puri-tuni with Plero Cappuccilli, Edita Gruberova, Robert Scandiuzzi, conducted by Miguel Gomez-Mar-

New York

American Ballet Theatre. Bum's Rush, Everlast and Quartet, three works Tywa Tharp created for works Tywa Tharp created for the company and set to music by Dick Hyman, Jerome Kern and Terry Riley, highlight the second week, which also includes Clark Tippett's Bruch Violin Con-certo No. I. Classics revived in the week are La Sylphide and Gaité Parisienne. Lincoln Center Opera House (382 6000).

Muziektheater Nederlands Dans Theater celebrates its 80th annireseary with Symphony in D (Kylian/Hadin), Arenai (Duato) and Hans van Manen's new bal-let Block Cales (Fri. Sat. Sun). Netherlands Opera production of Simone Boccanegra by Verdi directed by Stephen Wadsworth. The Netherlands Philharmonic conducted by Graeme Jenkins, with Henk Smit in the title role, and Charlotte Margiopo as Ame lia (Sun, Wed) (255 455).

Northern Lights

This dreary little hotch-potch of dramatic clichés from the vigorous slice-of-proletarian-life drama of the last 20 years is as appetising as a slab of the raw cod from which our heroines remove the worms occasioned by the fishes' diet of seal excreta. For this background information but not much else I am indebted to Frederick Harrison's new play brought to Battersea's Bridge Lene Theatre by Hull Truck.

Production and writing seem a faded carbon-copy of Hull Truck's traditional virtues. The basic jollity of the approach fails to work up much sympathy for these three Humberside lasses who accept a six-month fish gutting contract in Iceland. By the time that reserved,

amiable Deb lets rip a diatribe of self-loathing about doing the jobs the locals won't touch, drinking too much every week-end, and getting involved with men they neither like nor respect, all because there is nothing for them at home, it is too late in the play for us to feel concern.

An incidental tragedy of the past decade is the decline into self-absorbed and

vindictive hopelessness of the underprivileged, a mirrorimage of the bullying selfishness of the lucky ones. The trouble with Deb and Tracey and Jenny is not that they are unlikable in their misfortunes but that they would, we feel, remain so even if their luck

Meanwhile, the playwright assures us indirectly that Deb is liked by everybody and Tracey is a wag, though little in their portrayal gives much indication of this. Jenny is foul-tempered and brooding, inasfar as any character emerges. They alternate between raging about the claustrophobic duliness of the Icelandic village and marvelling that it's so

Tracey finds the brisk attentions of Peter Peterssen no better than the boys back home. She is eventually bundled out of the country as a drug-user. Scowling Jenny inexplicably stops hating everything. And sturdy Deb decides to give Australia a try, prompting in this observer at least reflections on (fish) fry-ing-pans and fires.

Martin Hoyle

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Tuesday May 16 1989

The poor are still here

POVERTY is back on Britain's political agenda. You can see people sleeping rough on Lon-don's pavements, although perhaps not as many as you can in New York, but it is not this that has brought the matter to the forefront of public debate. That has been achieved by a single speech by the Secretary of State for Social Security, Mr John Moore. The speech makes some salient points but, taken as a whole, its political wrong-headedness is reminiscent of a celebrated proclamation on the "cycle of deprivation" made by one of Mr Moore's predecessors, Lord (Keith) Joseph, some

15 years ago.

That speech cost Lord Joseph his chance to hid for the leadership of the Conservative Party; the effect of Mr Moore's somewhat less melo-dramatic exposition on his own career remains to be seen. Its timing is, to say the least, curious, since according to various opinion polls many ordinary voters are currently in a state of some disquiet about the apparently uncaring side of

Resentment and envy

The principal message that the Social Security Secretary sought to get across is that it is a mistake to define poverty as an income below 140 per cent of support payments. If this is done the level of "poverty" increases in line with the income support it is supposed to counteract. Quite so. If he had said just that, his speech might have been less widely noticed and the debate on poverty might not have been re-

But Mr Moore goes on to say that "a certain kind of politi-cian" uses this 140 per cent definition to keep "the fires of resentment and envy . . . for-ever stoked." He quotes the lurid language of Victorian analysts of poverty to rub home his point that things are different today. The average reader could be forgiven for deducing from all this that Mr Moore is interested only in seeking out cases of absolute poverty, leaving the concept of relative deprivation to "a cer-tain kind of politician." Yet most social scientists and economists going right back to Adam Smith have recognised

the validity of a concept of relative deprivation; the latter regarded necessities as "what-ever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without."

Relative poverty

The truth is that there is some absolute poverty (see those pavements) and a larger those pavements) and a larger amount of relative poverty in Britain today. Some people in these categories – the disa-bled, say, or the mentally handlcapped – are better off in real terms than similar peo-ple would have been when Mrs Margaret Thatcher became Prime Minister in 1979. Others - the genuinely homeless, or the confused old in need of community care - are likely to be worse off. The Government has been particularly remiss in delaying decisions about the latter. Mr Moore indicates that his department is seeking out those in undoubted need and concentrating assistance upon them; the language of his speech gives the impression that his definition of the deserving poor is extremely narrowly drawn.

It also expresses clear distasts for those who are "pursuing the political goal of equality . . Their purpose in calling poverty" what is in reality stoppy incomplity is so reality simply inequality, is so they can call western material capitalism a failure." This is the nub of the matter. A hundred statisticians working a hundred computers could not disprove that inequality has

increased under Mrs Thatcher. It is still increasing, as indirect taxes take their toll. It will be made worse by the poll tax. Some exponents of capitalism, particularly those associated with the New Right, appear to believe that a marked degree of inequality is an essential con-comitant of growth. To the extent that this is true, it is a matter of degree. Most other continental European coun-tries, whether of the Christian Democrat or the Social Democrat persuasion, are governed by parties that allow for some tendency towards reducing inequality, particularly at the bottom end of the scale. Many "one-nation" British Conserva tives have the same view. Not Mr Moore.

The greening of **England**

UNTIL, very recently, Britain had a rather poor reputation on care for the environment. Indeed, in some areas - notably in the contribution of its coal-fired power stations to the build-up of acid rain on the Continent - it has been labelled the dirty man of Europe. However, after Mrs Margaret Thatcher's speech on green issues last August, some of that has changed: at least the Government's rhetoric has shown much greater concern for the environment, evidenced again only last week with the criticism of farmers as pollut-ers by Mr Nicholas Ridley, the

Environment Secretary.

Mr Ridley's timing was in a sense curious, for only the day sense curious, for only the day before his colleague at the Min-istry of Agriculture, Mr John MacGregor, had released details of one of the few gov-ernment schemes, cautiously welcomed by farmers, designed to have a practical effect on to have a practical effect on pollution. The Environment Department and the Agricul-ture Ministry between them are taking positive steps to see that farmers do not continue to pollute water supplies by high use of fertilisers and other

Last week they published a consultative document outlining a plan to establish pilot nitrate protection zones in areas like East Anglia and the Midlands where nitrates in surface or underground drinking water supplies are above or near European Community limits. The idea is that in the worst affected areas farmers will follow practices designed to stop nitrate leaching, including severe limitations on their use of nitrogenous fertilisers and perhaps even replacement of arable land with unfertilised grassland.

Limited extent

This is not as green as it might seem. The so-called nitrate sensitive areas will be limited in number and extent. The arrangements are voluntary in the first instance, while the action is being taken in part to stave off the wrath of the European Commission at Britain's dilatoriness in applying EC drinking water stan-

The 1980 EC drinking water directive set a 50-parts-per-mil-lion nitrate level which should have been complied with four

years ago. That it has not been is partly because the Environment Department seems to have bungled in believing it had a derogation from the directive beyond 1985 and partly because there is a belief in official circles that the EC limit is unrealistic and possibly unnecessary on health

But Britain is saddled with the directive, which is now Community law. Last month the Commission threatened legal action unless more was done to meet its provisions.

Protection zones

There is one more factor spurring on the Government's nitrate plans: last January, the Commission produced a draft directive which would establish Community-wide nitrate protection zones. The Govern-ment believes this directive is unreasonable as it stands and wants to prove that a more flexible, limited scheme can

But whatever the reason for their establishment, the pilot nitrate sensitive areas should be welcomed — as indeed should the Government's obvious desire to prepare for them carefully. The consultation period allowed is short – two or three months – but still time enough for farmers and fertiliser manufacturers, who could be most seriously hit, to

The Government has said it will only decide on the number and extent of the areas - and the levels of compensation after consultation. It is also important that the scheme should be voluntary at least at first, while the principle of compensation is also crucial; much leaching has been caused over the last 30 or 40 years as governments encouraged farmers to plough up grassland and produce without limit.

The Government must try to strike a balance between listening too long to farmers' objections and producing a scheme too timid to control leaching or too bureaucratic to be effective. If it gets the balance right, the new plans should prove a step in the right direction, both in meeting long overdue commitments under EC law and in the practical greening of the countryside. Robert Graham and Gary Mead look at the implications of the Peronist Carlos Menem's victory in Argentina

Tests ahead for an untried leader

storm was brewing in Buenos Aires just as the polling booths closed on Sunday. It broke with a downpour late in the evening – just as it became clear that Mr Carlos Saul Menem had won a convincing victory to become Argentina's 46th President.

The storm seemed an ambiguous omen for Mr Menem, the Peronist candidate. Will the 58-year-old governor of La Rioja province, wholly untested in national politics, cleanse the troubled soul of Argentina? Or will he recreate an outdated neo-fascist state in the style of his hero, the late General Juan Peron, plunging Argentina further into the murk? Mr Menem's victory over Mr Eduardo Angeloz, candidate of the ruling Radical Party, had been expec-

ted for at least six months. None the less, the consequences of Sunday's vote are unclear. Indeed, there is no recent parallel in Latin America for a leader elected to office with such a limited record and such a vague pro-

Like the Pied Piper, he has simply said in all his speeches: "Follow me." On the vital question of the economy, which affects the pocket of every Argentine, he has called for hard work and an undefined "revolution in production." This offers little cheer to the international financial community, already concerned about Argentina's \$3bn (£1.56bn) arrears on its \$60bn foreign debt.

Mr Menem undoubtedly owes part of his appeal to the naïve nostalgia surrounding Gen Peron, who died in 1974. "It's an Argentine form of ancestor worship," says one Latin American diplomat. More important, Mr Menem's outsize sideburns and provincial background help him embody the rough and ready style of the 19th century caudillo. In this role, he rep-resents both the authentic nationalism of Argentina and the anti-Buenos Aires anti-intellectual vein summed up by Gen Peron when he said of his spending priorities: "Shoes Yes. Books

The loss of at least one third of the ordinary citizen's purchasing power during the past six years of President Raul Alfonsin's Government, com-bined with a perception that the rul-ing Radicals have been more concerned with the fate of their party than the nation, gave Mr Menem a fresh appeal. He has promised to restore the average monthly wage, now \$70, to the level of 1976 – the year Isabelita Peron was toppled by he military.

The new President has had to over-come formidable odds to reach the top. As a first generation Syrian immigrant, he was a Sunni Moslem who converted to Roman Catholicism. is the first time that a "turco" local name for the Syro-Lebanese) has risen to such heights in Argentina, where the political class has tradition-ally been of Italian or Spanish origin. His wife Zulema (wed in an arranged marriage) remains a Moslem - a situation without precedent in Latin America where constitutions stipulate as a rule that the Presidents have to be Roman Catholic. Mr Menem now becomes the first

Peronist, apart from Gen Peron, to win a presidential election. Despite the uncertainties ahead, not all is negative. The election campaign was cleanly fought and Mr Menem's vic-tory was an example of the healthy functioning of Argentina's democracy.
His lead over Mr Angeloz of almost
10 points gives a clear margin of victory while still ensuring that the Radicals are in parliament as a strong party of opposition. The result in this sense confirms two-party politics in

More important still, with six months to go before a presidential handover, President Alfonsin is now obliged to seek the active co-operation of the incoming government as soon as possible. Provided Mr Menem and his advisers realise they have a vested interest in co-operation, there is the basis for an agreed national emer-gency plan for the economy. Such a plan could help pave the way for some understanding with the interna-

tional financial community.

The country has already fallen badly behind on debt service, however: arrears on interest payments on medium and long-term debt alone now total nearly \$3bn. And bankers say Argentina is also in arrears with official creditors, including - from April 1 - the International Monetary Fund. US bank regulators are under

stood to have downgraded Argentine loans, making a debt deal difficult.

Mr Menem has yet to form a stable team and those who have surrounded him until now have distinguished themselves neither in the political or economic fields. He has only one economic fields. He has only one economist of note in his team, Mr Domingo Cavallo, briefly president of the Central Bank in 1983. Yet the kind of decisions which the new President is going to have to take will require considerable technical back-up as well as political skill.

His victory has occurred in a month when inflation is, according to inde-pendent observers, likely to be anything between 45 per cent and 65 per cent. Annual interest rates have risen beyond 1,000 per cent and reserves cover no more than six weeks' imports. Mr Menem will find it diffi-cult to disassociate himself from economic policy until he assumes office on December 10. But the record of Peronist economic policy is in direct contradiction to the declared aims of

the present government.
The Peronists believe in a corporate state with the government acting as the motor for economic development. How current plans for privatisation, cutting the public sector deficit (12 per cent of gross domestic product) and debt conversion schemes agreed with the International Monetary Fund - fit in with that remains

Mr Menem will also have to tackle

the highly sensitive issue of taxation and persuade Argentine avoidance is not the macho sport many seem to imagine. At the moment only 30,000 Argentines out of a population of 32m pay income tax. Over the last year of electioneering Mr Menem has made himself hostage to the Peronist-controlled trade union movement. This has been the bedrock of his support. It has been given on the basis not just that Mr Menem will raise living standards but also that

reform of the trade unions is a key element. But in Argentina "reform" is element. But in Argentina "reform" is inevitably a euphemism for confrontation, since its trade unions are the most powerful and most rigidly centralised in Latin America. By law, only one trade union is permitted to exist to represent a particular industry's workforce. This has created a monopoly of power that has determined the pattern of industrial relations based on jobs for life which the tions, based on jobs for life which the economic crisis renders increasingly unmanageable.

Gen Peron manipulated trade union leaders. Those who opposed him were eliminated, those who fell into line were rewarded with security of office and control over considerable sums of and control over considerable sums of money levied on employers and union members. That income is today calculated at \$3bn, (more than last year's national trade surplus) and is entirely under the control of union leaders who – by law – face no opposition from within their own ranks.

Mr Alfonsin tried to buy off union methersness by appointing a minor

restlessness by appointing a minor trade union leader, Mr Carlos Alder-ete, as Labour Minister in 1987. The romance was short-lived and did not prevent 13 costly general strikes. The majority of Peronism's 4m unionists work within the state sector which, as a senior official last week acknowl-edged, "is really nothing more than social security; they sign on for the job, then go away for the rest of the

Argentina's dalliance last year with semi-privatisation of its state-run telephones and airline came to grief because the plans implied consider-able manpower reductions. The trade unions involved made their opposi-tion clear; that was immediately translated into parliamentary opposi-tion through the Peronist party. The nationally-owned telephone company incurs an annual loss of \$230m.

Mr Menem's position regarding the nation's other major power-broker -the armed forces - is ambiguous. In the last few weeks of his campaign he repeatedly refused to consider an amnesty for officers in prison for human rights offences committed under the 1976-1983 military dictator-ships, and denied that he would for-

give mutinous soldiers who have rebelled three times since April 1987. That has not prevented him from being the army's choice for President, since his nationalist spirit and crusade for Argentine aggrandisement chimes well with military ideology. He has not distanced himself from the hard-line nationalist officers in the army who have been behind the three main outbreaks of military unrest under President Alfonsin. This posi-tion may, however, make it easier for him to deal with the military and to

nsure that they remain in barracks. President Alfonsin has always been haunted by the military. He has devoted most of his time to this problem, and for this reason feels vindicated by the elections. He sees himself as the first President since 1928 to hand over power democratically and this is his greatest claim on posterity. Significantly, an Alfonsin booklet handed out to the press on election night was called The Three Great Years. This referred to his first three the trade unions will retain their for-midable privileges.

If Argentina is ever to modernise,

I ne rangends:
will return to Argentina "no matter how much time it takes,
nor how much blood we will have to spill." The Falklands: "A grace period is an agreement between creditor and debtor. I speak of a grace period, a totally different thing from a moratorium."

Trade:
"If we eliminate trade to encourage competition, that will end in the destruction of the little that remains of our national industry."

Peronism:
"Peron incorporated the working class....that changed
"Peron incorporated the working class....that changed
Argentina from a producer of meat and grain into a
country moving towards industrialisation."



THE ELECTION of Mr Carlos Menen is expected to turn the Falkland Islands once more into a burning issue, even though for the moment, British officials are discounting some of his more incendiary statements during the election campaign.

The Foreign Office, with its cus-tomary habit of looking on the bright side of things, is attaching more importance to the Peronist leader's more moderate statements on the subject than his dramatic declaration that regaining the Malvinas might require more bloodshed. Mr Menem has apparently also said that he wants to advance Argentina's claims to the islands by diplomatic means

alone.

That relatively optimistic view of the situation is shared by the British Defence establishment, which is said to be convinced that Argentina does not, for the moment at least, possess the military capability to launch another invasion of the Faikland Felence.

The construction of the Mount Pleasant airfield enables Britain to reinforce rapidly its relatively small garrison of 1,500 to 1,800 men, duced from 4,000 three years ago, a ing last year's Exercise Fire Focus.

However, the long-term military the could well be changed by the joint development by Argentina. Egypt and Iraq of the Condor 2 ballistic missile which, with a range of more than 600 miles, could reach the Falklands from the Argentine mainland within minutes. rankingus from the Argentine main-land within minutes. And plans to spend large sums on re-equipping the Argentine armed services could also ultimately affect the balance of power in the south Atlantic. Meanwhile, all diplomatic attempts

since 1982 to restore more normal relations between the UK and Argentina have run into the immovable obstacle of sovereignty over the islands, which Britain refuses to dis-cuss and Argentina insists must be raised in any negotiations. That, in particular, was the cause of the breakdown of the bilateral Anglo-Argentine talks in Berne in 1984.

The British Government continues

to maintain that the most realistic way of improving relations is through agreements on confidence-building practical measures. It also considers that diplomatic relations

considers that alpionatic relations cannot be restored until Argentina formally declares that hostlitties with Britain have permanently ceased.

However, most British initiatives to this end since 1982, including the unilateral lifting of restrictions on Argentine imports and financial relations will be a self-cent to establish a rices, as well as efforts to establish a multilateral fishing regime in the south Atlantic, have failed to satisfy Buenos Aires, which has not recipro-

On the contrary, Britain's decision to go it alone on fishing and establish the Falkland Islands Interim Conser-vation and Management Zone (FICZ) of 150 natitical miles radius, has been itterly disputed by Buenos Aires. President Alfonsin, though ada-

mant on the sovereignty issue, was at least anxious to search for diplomatic solutions and to keep the Falklands dispute off the boil. But the populist Mr Menem is even less likely than his predecessor to go to the conference table without being able at least to discuss the problem of sovereignty over the Falkland Islands, as the Spanish are able to do in their talks with Britain on Gibraltar.

Robert Mauthner

Time to call him Alfred

■ Alf Gooding is used to going up in the world, and is a pretty good publicist to boot. Eight years ago he brought the CBI's annual conference to its feet by claiming that it cost him £500 every time his wife went to the hairdresser. The more sedate captains of industry cheered as he explained that that was how much he had to earn before tax at over 80 per cent to have enough left for the crimper.

Since those days tax has come down at about the same rate as Gooding's success has gone up. Yesterday, C Itoh, the leading Japanese trading house, took a 20 per cent stake in his Race Group. Itoh has a turnover twice that of IBM and the deal makes Race one of the leading players in the field of printed circuit boards. Gooding has had his downs

as well as ups, however, on the way to his present wealth. He began life as a roofer in the South Wales Valleys and made his fortune by convincing a sceptical building trade that steel lintels — the bars that take the weight off doors - were a perfectly reliable and cheaper alternative to con-

After selling out to RTZ for £15m, and pledging to stay out of the building industry for three years, he bought a ragbag of companies, one of which turned out to be Race. At the time, it sold 90 per cent of its output to Acorn.

Not long afterwards he watched the bottom fall out of Acorn's home computer market and he faced heavy losses. Everything came under the spotlight in the search for economies - everything, that is, except his beloved Bentley. "My customers wouldn't have thought much of me," he says, if they thought I was so hard pressed I had to sell the Ben-tley."

Gooding, never a man to hide his light under a bushel, describes his success as

Observer

"bloody marvellous". He has now decided to change his style of address from the Alf, by which everybody knows him. In future, he will be known as Alfred.

Talking dog ■ Dog stories are in east of Berlin. For instance, a Russian asks his dog what he thinks of perestroika and the dog or perestribute and the tide as long as it used to be. My food bowl is half as full. But I can still bark."

Strike happy ■ It must have been the

weather. For the strikes on the London Underground and bus routes yesterday seemed to leave everyone in an aston-ishingly good temper. True, the roads in central London were quite busy in the morn-ing, but not unbearably so. And because people set off ear-lier than usual, some of them arrived early. Those who were late knew that they had a good excuse. The result was they did not try to hurry, drive badly or get cross. Some of the walkers stopped for a rest in the parks or a coffee. Others were proud of their timing: two hours from Earls Court to Southwark Bridge, said a colleague. By lunchtime the streets were pretty clear: you can walk a long way in London in 20 minutes and doing it without having to dodge too many buses and cars is a pleas-

The thought of going home as the weather begins to darken is slightly more daunt-ing, but my impression is that a lot of people rather enjoyed



You mean this isn't a bus

surviving the one day strike. If it had been raining, it would have been quite different. There was, however, at least one motorist trying to bluff the traffic wardens. On the windscreen of a small Flat, parked on a yellow line, a sign fluttered optimistically. "Doc-ter on call," it read.

Bad King Henry ■ We spent the afternoon in The Clink - "the prison that gave its name to all the others"

 and a very rewarding experience it turned out to be. The Clink is on one side of the new Financial Times building; the Rose Theatre, which may have had a stay in its demolition, is on the other. Clearly they have a great deal in common. Indeed they are the products of the same soci-ety. You can walk across from

One fact that I did not know until I visited the Clink is that in 1530 Henry VIII, said by some to have been a great English nationalist, legalised boiling in oil. That was ostensi bly for women who had murdered their husbands, though men were also victims. It was left to the discretion of the executioner whether the oil was pre-boiled before the victim was inserted.

The exhibition at The Clink, which reveals a great deal else

the bawdy of the Rose to the bawdy of the prison.

besides, may not continue indefinitely. For, like the Rose, the future of the site is uncertain.
Readers may not always

agree with Sir Peter Hall, the former director of the National Theatre who said that no other country in the world would allow the Rose to be covered up. But this time, with the pos-sible exceptions of Romania and Pol Pot's Cambodia, he is probably right. What one cannot understand is why the Prime Minister does not intervene directly; it would do her a great deal of political good.

Not welcome

British pharmaceutical com-panies are running into prob-lems with their advertising. Beecham was recently obliged to take down an illuminated sign which for many years had adorned one of its head-office. buildings in west London. It said: "LUCOZADE AIDS RECOVERY". The middle word

is no longer thought suitable. Now Wellcome, another UK medicines group, has removed a neon sign above its German head office, near Hanover. It said simply: "Wellcome". Too many motorists thought it was a hotel and sought to stay the

Sharp note

Sign in a Berkshire garden centre: "It's not too late to have your lawn-mower sharp-ened, ready for borrowing."

Hidden deep within your company's existing assets lies an untapped source of working capital. Reach it, and you will release much needed finance, without compromising your equity, or your independence. H&H Factors will forward to you up to 80% of the value of your sales invoices upon receipt. The balance, less modest, agreed charges will follow upon settle-ment by your clients.

Thus, you can increase turnover through a source of finance which is directly linked to sales.

We take care that no aspect of our factoring service will affect the valuable relationships you have with H&H Factors are responsive, and flexible. Small to

medium sized business finance is our speciality - and our service is both expert and constructive. That's why, over 25 years, we have become a major force in factoring, whilst remaining completely independent of any high street bank.

We offer a range of financing services, one of which will suit you precisely. For more information, a brochure, or a meeting without obligation, contact: Paul Roots on 01-681 2641.



Randolph House, 46–48 Wellesley Road, Croydon CR9 3PS Regional Offices in Stockport, Bristol, Birmingham, Glasgow ..

<u>LETTERS</u>

'Is it possible at Heathrow?'

Sir, Decisions about an addiate the consultative of England are difficult and document, CAA said that from council an air traffic control point of privatisation of BAA, formerly view accounted to the control point of privatisation of BAA, formerly view accounted to the private Attherity of the British Airways From Mr A.J. Lucking.

Sir, Rechel Johnson (May 12) highlights the central problem caused by the badly planned privatisation of BAA, formerly view accounted to the British Airways From Mr A.J. Lucking. tional runway in the south-east of England are difficult and

bound to be controvarsial.

("Airports expansion still grounded," May 4).

BAA's full-page advertisement (May 9) gives itself credit for accurate forecasting and creating available capacity at

Forcing traffic to Stansted because capacity elsewhere is unavailable may satisfy BAA's corporate profit requirements - but no one else. If there is ever to be another runway in the south-east, let us have it now, at one of the obvious

locations of desperate need.
In its consultative document (CAP 568), the Civil Aviation Authority (CAA) predicts that by the year 2000, 13m passengers who will wish to use Heathrow will be denied the opportunity. For users, Heathrow is the most attractive sir-port for feeder flights from the

regions. Meeting the Government's objective of a multi-airline competitive industry will best objective of a multi-airline competitive industry will best be achieved by providing real

Air Toursport Users Committee, Kingsway House, 103 Kingsway, WC2

view; concentration of air transport movements at one airport location (Heathrow was quoted) is better than having to guide the same number of movements to and from several dispersed airports.

So is if possible at Heath-row? Without further upsetting local opponents, probably-not. But will an additional runway be located anywhere without upsetting a lot of people? Charles de Ganlle at Paris is developing but a first propagar

developing into a five-runway, 90m-passengers per-year airport, poised to capture world premier international status from the UK (Heathrow). If additional capacity is not pro-vided where it is demanded, the effect will be reduced effectiveness of exporting UK busi-nessmen, along with descriton of foreign investors — and buyers for our exports. John Cox,

the British Airports Authority. In 1987-1988 the huge airport assets made operating losses

everywhere except Glasgow and Edinburgh. and Edinburgh.
Yet the company is regarded now as a property developer, and so is required to make a return of between 27 per cent and 30 per cent — inter alia by selling off land at Heathrow. This nonsense will do huge damage to the UK. BAA is rep-

resenting Stansted, with its low land values, as a substitute for Heathrow, the nation's business hub (probably the most important place in Britain). Yet many foreign buyers spurn the trains from Gatwick, and they would have a prolonged, expensive taxi journey from Stansted. Most south-eastern businessmen live nearer to Weybridge, as Sir Norman Payne himself pointed out in his evidence to the House of Commons Transport services, which that committee proposes to banish to rural Essez, carry mainly business passengers, with up to 80 per cent of total traffic on the shorter routes needing a full range of interlocking possibilities. (Probably the committee misled itself by looking only at the 30 per cent national averhat is wrong with Nato? Everyone

important issues to discuss at the summit in Brussels in two

weeks' time than the future of

short-range nuclear forces (SNF) in Europe. Yet it seems increasingly certain that that

issue will dominate the talks.

And what is wrong with the

Russians? We have got used in the last few years to thinking

of them as people of great sua-vity and diplomatic finesse.

Why are they risking the good-will so carefully built up, by huffing and puffing to stop

Nato doing something which it

appears unable or unwilling to do in any case?

The argument over SNF comes in two stages: "moderni-

sation" and negotiation. "Mod-ernisation," as most people interested in the subject are by

now aware, is a euphemism. It

includes replacing the Lance

missile (maximum range 120

km) with an entirely new

weapon with a range four times as great. Nato's military

commanders, supported by the

British and US Governments, are keen to do this. Lance, it seems, will be "obsolete" by

what exactly makes a weapon obsolete? The layman might fondly imagine that a

weapon properly maintained and never used should remain

indefinitely in perfect working order, like a 1910 Rolls-Royce.

Ah, you say, but a 1910 Rolls-Royce would be over-

taken by snappier vehicles of more modern design. But, for that analogy to hold, we surely

have to make some assump-tions about the "modernisa-

tion" of defences on the other

side. Are these assumptions not affected by political devel-opments in the Soviet Union?

Might they not be modified by negotiation? Indeed, was that

not precisely the object, at the

strategic level, of the anti-bal-

Never mind. For the pur-

poses of the present argument

everyone accepts that the

magic moment of obsolescence

arrive in or around 1995. Well,

actually the Americans say they *could* prolong Lance's use-ful life for another five years,

but it would cost even more than the replacement. They want the go-ahead to start

developing the replacement

now, so as to have it ready by 1995. And, so the argument went until last month, they

cannot get Congress to vote the money unless there is a definite statement from Nato

that the replacement will be

required. But the West Germans were

not willing to make such a

- let's call it O-day - will

listic missile treaty?

seems to agree there are more

We need a root and branch reorganisation now if the nation's air transport system is to do its duty from 1993 onwards. "BAA properties" should divest the airports to bond-financed public utilities, and the Government should emulate the political courage shown recently by the Austra-lians in expanding Sydney's

UK Government ministers have said that it is "politically impossible" to expand Heath-row. They must think again. And at the same time they must open up Glasgow to long-haul flights. A.J. Lucking,

Fict 20, 17 Broad Court And often the minor regional

Green could match with public health policy

Sir, I was surprised to read in your leader ("Green Politics Can Hurt," May 4) that much of the diet which Europeans are used to may prove incompatible with any lic health problems simultaserious attempt to implement 'green' policies." On what do you base this assertion? First, the European diet is far from homogenous. Are you referring to Britain's unnecessarily highly processed diet — a key factor in achieving the dubious distinction of 170,900

preventable deaths from coro-

Residential

From Mr A.J. Clayton.

market does not normally exist. A vendor may find a buyer at a price agreeable to

both, but confirmation of the

terms (exchange of contracts) can be delayed for weeks or monts - or never achieved.

It is an anachronism that we continue to trade properties in

such a haphazard way. There is always a percentage

of people wishing or needing to change properties; without a true market they are often

frustrated. A proper market must be established - both

vendor and purchaser entering

into a formal commitment

within a short time scale. Residential properties could then be traded at realistic prices.

A.J. Clayton,

41 St Catharine's Road,

Broxbourne, Hertfordshire

realism

nary heart disease each year?

Or are you referring to the

Second, you stated that farmers' livelihoods are "... threatened by proposed limits on the use of fertilisers." On the contrary, it is the over-production treadmill, depen-dent on unnecessary fertiliser use, which is threatening live-lihoods by intensifying produc-tion and shedding farmers in

Equally important, there is growing concern about the impact on consumers' health of ingesting unnecessary nitrate residues in food and drink. Nitrate fertilisers are a key fac-tor in over-production. Some European countries have wisely imposed residue limits on foods such as infant foods,

lettuce and spinach.
Third, pesticide residues are increasingly – and deservedly – under fire. Reviewing the 426 pesticide ingredients approved by the Ministry of Agriculture, Fisheries and

Food (MAFF), the London Food Commission found that no fewer than 164 have suspected or known links with adverse reproductive effects, cancer, genetic damage/irritations. MAFF appears to be giving the benefit of the doubt to agrochemical and producer

ers and public health? Rather than sniping at green policies, should we not examine their implications objectively?

interests. Why not to consum-

Tim Lang, The London Food Commission, 88 Old Street, EC1

Esprit de corps

From Mr S.J.E. Turner. Sir, In about 1961, as a young staff officer, I had a conversation with General Bobby Edel. who then commanded the French Airborne Forces. He remarked to the effect that when Napoleon re-numbered the French army it lost an esprit de corps it can never regain, and that if Britain were so foolish as to do the same, it

would be a tragedy.
Sadly, since then we have already gone some way down that path. I hope that the recent National Audit Office report, which recommends a mental structure (FT report, May 10), will not endanger our regimental traditions further. S.J.E. Turner,

Willow Holt,

Pretty penny

certificate for some ordinary shares of one pence each fully paid. What has happened to the good old British penny?

IS THERE A CONSERVATIONIST Sir, Surely the problem is not so much a fall in house IN THE HOUSE? prices as the absence of a market where a vendor can find a buyer and be sure of complet-In true markets, one can buy or sell a product/commodity/fi-nancial instrument at an agreed, committed price for immediate or short term settle-ment in a recognised currency. In residential property such a

From Professor John Orrell and Mr Theo Crosby. of the Rose theatre founda-tions, within sight of your own windows in Southwark, seems an odd thing for a commercial

bury Avenue" (theatre district) of Elizabethan London: home of the Globe theatre, the Beargardens, and the Swan theatre as well as the Rose. Mr Sam Wanamaker's reconstruction of Shakespeare's Globe is already under way, just round the corner from the Rose site. Across the road from the Rose the foundations of the original

Unto the breach, dear friends

Sir, The threatened mauling city to do.

Bankside was the "Shaftes

Globe await resurrection this

summer, and one day the Beargardens may also be excavated - all within a space of 200 The Rose site by itself is a

place of national importance in association with the newly reconstructed Globe, the whole group of archaeological sites -the Rose, Beargardens and original Globe - will make a powerful commercial magnet worth more to London and the world than another office block. John Orrell,

Theo Crosby, 165 Chatsworth Court, Pembroke Road, W8

Sleaford, Lincolnshire

From Mr John Fay. Sir, I have just received a John Fay, Pickett Witch House, 100 Ilchester Road, Yeovil, Somerset

to younger people unless they include capital accumulation as the principal, or alternative,

measure of value.

This can be done by invest-

ing contributions for each

member, of an amount repre-senting the present value of a target final salary pension,

with a minimum benefit guar antee for the security of longer

serving members, if required.

If employers want employees

to appreciate the value of

scheme membership, they will be well advised to give them visible evidence of this in the form of capital accounts in their name.

Martin Paterson

The pension scheme that gives real value to new employees

From Mr Martin Paterson. Sir, Discussing the survey of reactions to the new pensions climate published by R. Watson, ("Back on the tightrope," May 4), you report that company schemes are being hit by apparent lack of new employee nterest. The survey shows that in some companies as much as 50 per cent of new mployees are not joining the

Nobody should be surprised. Most companies have been very successful in persuading existing members to resist the attraction of personal pensions. In final salary schemes, with relatively high rates of mem-ber contributions, the outcome

are truly presented, might have the opposite effect to that intended — but a revision of the schemes themselves?

ber contributions, the outcome says much about the powers of each year of service. However,

Software 'patentability'

From Mr Trevor Cook. Sir, You recently reported (April 26) on the Court of Appeal judgment refusing Mer-rill Lynch's application to patent a computer system for programmed trading.
Some of the commentary on

the decision reported in that article (and, subsequently, elsewhere) may have given the impression that the decision is adverse to the protection of computer software by patents. The reason the Merrill Lynch application failed was because it related to a method of doing business and not because the means for achieving it made use of a computer

The Court of Appeal judg-ment specifically states that "a data processing system operating to produce a novel technical result would normally be patentable."

For example, true industrial applications such as a computer program to control a chemical process, or to analyse

However, it has been clear all along that while these might work with existing memhers, the real test would come in convincing new employees that they should join company schemes. To achieve this, surely what is needed is not another communications exercise - which, if all the facts

Most people agree that the ultimate purpose of a pension plan is to replace income in retirement. Thus it is true that a suitable plan objective is to base pension on fine!

geological data, should be pat-entable under that formulation of the law, provided they con-fer a technical advance on what there has been before. In contrast, business proce-

dures have never been a proper subject for patents, and it is curious to suggest that just because they can now be performed by computer systems, it is right that someone can obtain a monopoly over them by patenting the software which achieves this.

Because of this wider issue the Merrill Lynch application is far from being an ideal "test case" for the patentability of computer software, but it is important to recognise that what the Court of Appeal judg-ment does say about this issue is favourable to the principle of making patent protection available for computer programs, and so should, in fact, be wel-comed by the software indus-

Trevor M. Cook,

the full value of benefit expressed in that form is con-tingent on staying the course. For someone leaving early, final salary is not achieved and the benefit is diminished. It also looks out of place. This is because nowadays nearly every leaver takes a capital sum instead of a deferred pension. So employees look for capital as a measure of benefit value. But if the benefit is

expressed as a deferred pen-sion, its cash value has to be calculated by an actuary, using assumptions they may not understand. The conclusion is surely

that, in the current environment, contributory final salary plans will never be attractive

Accounting for pensions

From Mr Stuart Southall. Sir, Richard Waters' article on the new accounting standard on pensions (May 11) should be compulsory reading. The standard is indeed a more acceptable means of "conjuring up assets" than brand revalua-tion. The flexibility begins with the choice of actuarial method and assumptions.

Because the assumptions are so long term, positioning within the allowable spectrum can have a dramatic effect on the quantum of surplus (or deficiency). Surplus can be inflated still further by making no (or limited) allowance for post-retirement pension increases which are discretionary in nature, but which are funded for in advance. Such an approach is not recommended, but it is permissible. Having established the sur-

plus (or deficiency) there are a number of ways this may be amortised. But one needs first to determine the period of amortisation. This can be

manipulated by the choice of turnover assumption, and also by the actuary's choice of weightings in calculating the average service lifetime of employees. This is normally in the range 10 to 15 years. But the average service lifetime of a finance director is shorter, so there might be a real temptation to try to accelerate the impact of any surplus.

Adopting the standard will tend to highlight the potential conflict of interest inherent in all final salary schemes. The employer will be seeking a "best estimate" actuarial basis to satisfy the standard. The trustees, concerned with the security of member's benefits, may naturally prefer a more conservative actuarial basis for funding purposes.

In practice, I believe actuarial input will be needed to interpret much of the information. Stuart Southall

Punter Southall Kerr 1 New Bond Street, W1

FOREIGN AFFAIRS

Why all this fuss about the SNF

Nato should not be preoccupied with short-range nuclear forces, writes Edward Mortimer

statement. To do so would "send the wrong signal," argued Mr Hans-Dietrich Genscher, the Foreign Minister. What sort of response to all Mr Gorbachev's initiatives would it be for Nato to announce its decision to deploy a new weapon, especially one that looks suspiciously like a breach of the spirit of the INF treaty? (That treaty banned all land-based nuclear missiles in Europe with a range between 500 km and 5,500 km. The proposed new missile would have a range of 480 km or 485 km.) And in any case, where was

ning of April, and therefore slightly surprising that he felt it necessary to warn us, in his Guildhall speech, that "mod-ernisation," if it went ahead, would have a negative effect on the Vienna talks on Conventional Forces in Europe. But it was much more surprising that Mr Shevardnadze should have chosen to return to the subject in Bonn last Saturday, this time threatening to halt the destruction of Soviet SS-23 missiles if Nato went ahead with its new weapon. Lance II (or whatever it will be a range of 480 km or 485 km.)

And in any case, where was the urgency?

In the present international climate, that last argument proved conclusive. This is indeed a time, as Oxford's Regius Professor of Modern

Lance II (or whatever it will be called) may not be fully in keeping with the spirit, but the destruction of the SS-23s is unambiguously prescribed by the letter, of the INF Treaty—as Mr Shevardnadze, who spent many hours negotiating

One almost wonders whether Mr Gorbachev is trying to reunify

Nato, rather than divide it

History, Sir Michael Howard a brain sadly about to be drained across the Atlantic put it, in his valedictory lecture at Chatham House last week, "for at least pausing in our frenetic efforts to close every chink of opportunity that might be exploited by an optimistic Soviet High Command backed by an adventuristic government prepared to play for grotesquely high stakes." He proceeded to dot the i: "Western defences will not be seriously weakened, Soviet adventurism will not be seriously encouraged, if we take our time about replacing the existing Lance missile with one of greatly extended range." It was already pretty clear that West German obje along these lines would carry the day when Mr Gorbachev visited London at the begin-

it, should know better than anyone. If many hours are spent negotiating treaties clause by clause and often word by word, it is precisely because it is the letter that counts. Pacta sunt servanda, as Mr Gorbachev himself is fond

of saying.
But what is particularly odd about Mr Shevardnadze's statement is that he is virtually banging on an open door. It was already decided last month, much to the chagrin of attempt to take a decision on replacing Lance but would con-tent itself with a bland assertion of the need to keep Nato's nuclear forces "up to date"; and though in theory that only means the decision has been postponed there is no reason to think the West German Gov-

ernment will find it easier to take next year, or indeed any time between now and 1995, unless the Soviet Union begins to look threatening again. One almost wonders whether Mr Gorbachev, instead of seeking to divide Nato as is often alleged, is actually issuing these threats in an attempt to reunify it.

Meanwhile Nato has moved

on, thanks to West German impatience, to the "negotiation" stage of the argument. Not only should we not modernise our SNF, the Germans care we should start regeria. say; we should start negotia-ting the reduction of SNF to "minimal ceilings" for both Nato and the Warsaw Pact. They will probably not win this argument, at least in the short term, because this time it is they who are demanding something positive, and Nato, which takes its decisions by consensus, will inevitably opt for inaction rather than action whenever there is a serious dispute. And on this issue there certainly is a serious dis-pute. Britain is opposed to any negotiations on SNF, ever, and

America is certainly not ready for them. In the longer term Britain is in danger of losing the argu-ment because it does not sound good politically to exclude any category of weapons from the arms control process. But Sir Michael, in his Chatham House lecture, offered an argument which might perhaps carry some weight with those who are at present demanding nego-tiations. "At present," he pointed out, "arms control negotiations are very largely used as an excuse for retaining weapons, for which we have no possible military need, as 'bar-gaining chips.' If it were not for the arms-control process we could dispose of the balance of our redundant nuclear war-heads in Europe, which still run into thousands, without waiting for 'modernisation' of the Lance missiles."

The presence of armed forces, he added, (but the argument applies also to weapons), does not in itself prevent a gradual osmosis between East and West Europe: indeed it provides the kind of security . . . that makes such osmosis possible . . . Our object should be not directly any reciprocal withdrawal of forces . . . but the creation of the British Government, that a relationship which would the Nato summit would not gradually make the presence of such forces anachronistic and unnecessary." The Germans have already shown themselves very good at that. It is not fully clear why they think arms control negotiations, par-ticularly on SNF, should be an indispensable part of the pro-



FROM JUNE 10TH, WE'LL STOP AT NOTHING TO GET YOU TO LISBON



FROM JUNE 10TH, IN ADDITION TO THEIR EXISTING SERVICE, TAP AIR PORTUGAL INTRODUCE THEIR WEEKLY DIRECT FLIGHT FROM DUBLIN TO LISBON ON A SATURDAY, JUST OVER 21/2 HOURS FREE OF ALL DIVERSIONS, EXCEPT FREE DRINKS, SUPERB CUISINE AND A FREE DAILY NEWSPAPER. 54 DAWSON STREET, DUBLIN 2. TEL: 798844. GILLINGHAM HOUSE, 38/44 GILLINGHAM STREET,

LONDON SW1V 1JW. TEL: 01 828 2062. *3RD FLIGHT FROM 10TH JUNE



FINANCIAL TIMES

Tuesday May 16 1989

Calm Cover® SUPERIOR SCIENCE IN PRINTER SILENCERS 2 0845 - 22444 T

Japanese travellers feel the pinch

A tourist boom has put pressure on airlines, writes Ian Rodger

HE SUDDENLY affluent people of Japan have just struggled through their main annual holiday season, smarting with irritation at an increasing lack of space on international airlines. They are

international airlines. They are likely to continue hollering in protest for a long time.

"We are already in a panic," says an official at All Nippon Airways, Japan's second largest carrier. "Complaints from customers are growing, and there is nothing we can do but wait."

Demand for overseas travel among the Japanese is growing so rapidly that there is little chance that the supply of pilots, aeroplanes and airports can catch up for several years. Not only would-be tourists but also businessmen are being affected. Travel agents in Tokyo say it has become increasingly difficult to book seats to and from Japan on short notice. The most crowded routes are all from Tokyo – to London, New York, Hawaii, Australia and Hong Kong. Even when a traveller has a

ticket, it can take him a long time to get through check-in procedures at the country's increasingly crowded airports. Tokyo's Narita is the worst, with many airlines asking passengers to arrive more than two hours before departure.

The situation is filled with ironies. The Japanese Govern-ment has been frantically urging people to go abroad in the hope that, if enough do, the country's embarrassing current account surpluses will be reduced. Now more and more people want to travel abroad, not least because it is one of the few ways they can get value for their mighty yen, but many will not be able to. Meanwhile, foreign governments have been badgering the Japanese to lower international airfares. They are now doing so, but that will merely exacerbate the shortage of seats in the

According to the Japan Tourist Bureau (JTB), the number of Japanese travelling abroad has risen from 6.8m in 1986 to 8.4m in 1988 and could reach 10m this year. That would still mean that fewer than one in 10 Japanese leave the country even once a year,

LONDON stock exchange

market makers will have to

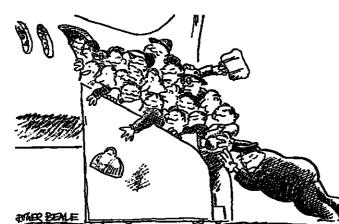
meet extensive performance criteria in order to maintain

their status under proposals to

be put to the Exchange's ruling

will be discussed at a special Council meeting on May 22. Member firms will then be

given until July 24 to com-



which is why analysts still believe that the potential for growth is immense.

On the supply side, the total number of seats available on flights leaving Japan is about 17m a year. That sounds like a lot, but experts point out that most of the spare capacity tends to be on flights which are not popular - to Moscow, for instance - and in the off son. "For tours to Europe, flights are full for six months of the year," a JTB official

The potential for expansion of capacity for handling more outward flights is bleak. Japan's three main airlines have committed nearly Y2,000bn (\$15bn) for orders of more than 140 new aeroplanes. However, because of the cur-rent rush of orders for new aircraft by airlines all over the world, deliveries will not be completed until 1995. Even if they could get the aeroplanes, it is not certain they could find the crews to fly them. All the airlines have been

taken by surprise by the sudden growth of demand. Japan Air Lines, the leading carrier, was recruiting only 15 pilot trainees a year up until two
years ago. This year it is hiring
70, but the training period is
more than two years so the benefit is some time away. In the meantime, many existing pilots will have to be taken out of action later this year to train for the Boeing 747-400 aircraft due to be introduced next

The worst problem is the lack of airport capacity in the

resigned following harrassment from environmental groups, and the government is having difficulty replacing

diven this situation, the Japanese authorities and the airlines are resorting to stopgap measures to alleviate the pressure. Last week, the daily limit of movements at Narita was read to the pressure of the stops raised by 10 flights a day. Air-line industry officials say it could be increased by another 20 per cent or so even within the curfew if the authorities would allow it and if terminal facilities and traffic control arrangements were improved. The Government is also float-ing the idea of opening regional airports to more inter-national traffic, and encourag-ing foreign airlines to use

JAL, as the country's main nternational carrier, has taken the initiative in creating more seats in the near term, and others will probably have to fol-low its lead. It has raised the frequency of both scheduled and charter flights from regional airports, particularly Nagoya and Kagoshima, and it has shifted cargo flights from Narita to Nagoya so that Narita slots can be used for passenger flights.

It is also starting joint services with foreign airlines, such as Canadian International, which have spare capacity on some routes, and it is pulling out business class seats on some aircraft in favour of more economy seats even though the profit on economy

seats is low.

Despite these measures, most popular routes out of Japan are likely to be very crowded for the next few months. One exception may be the London-Tokyo route, thanks to a significant increas in flight frequencies agreed between the UK and Japanese governments last year. Both JAL and British Air-

ways have just increased their flights and ANA and Britain's Virgin Airlines are due to start up in the next two months.
"We should be able to cope this summer, but after that we are going to have to find other ways of dealing with the growth," one British airline official said.

ondon market makers face new code

·It is understood that the pre-vious reforms will not be

the final outcom

Environment Secretary, made it clear in the House of Commons that any scheme for publicly displaying the remains of the theatre must be financed by public subscription and not by the taxpayer. He would not authorise

Mr Ridley said it was only in

roof over them."

Love's labours had not been

ost at the end of the day but since it would be premature to say All's Well that Ends Well the actors pledged to maintain a vigil tomorrow and tomorrow and tomorrow if neces-sary - though no one men-tioned the Scottish play.

eral years, with a long backlog of demands from both foreign and national airlines for permission to operate more flights. Relief will come only in 1993 when the new Kansai International Airport, which is being built on a manmade island in Osaka Bay, is scheduled to be completed. In Tokyo, international flights are restricted to Narita

two great population concentration areas, Tokyo and Osaka In Osaka, there is only

one airport for both domestic and international flights. It is located in the middle of a

densely populated area and so curfews are strict. It has been

operating at capacity for sev-

airport which, even though it was built only 15 years ago, is already operating at the limit allowed. Even though the airport is deep in the Chiba countryside, the limit, imposed as a result of opposition from farmage and opposition from farmage and opposition from farmage. ers and environmentalists, is very severe, allowing only 340 landings and takeoffs a day between 7am and 11pm.

Some 40 airlines have

applied for more slots. ANA recently managed to find five slots so it could run a daily service to Seoul - a very crowded route these days but each one is at a different time of day, playing havoc with the airline's equipment Meanwhile, a planned expan-

sion of Narita, which has only one runway, has been post-poned indefinitely because of elays in expropriating land. All the members of the Chiba expropriation board have

Developers postpone final curtain at Rose theatre

By Richard Donkin and Ivor Owen in London

OFFICE DEVELOPMENT on the site of a Shakespearean theatre-the Rose-next to the Thames in London has been suspended for up to a month to allow architects time to investigate proposals to pre-serve the historic site, the UK Government announced yesterday.
This postponment came as

This postpoument came as the climax of a day of drama which started as a powerful cast, starring leading actors including Dame Peggy Ashcroft and Mr Ian McKellen, stepped into the breach between the excavated theatre remains - where Shakespeare is ballowed to have preferred. is believed to have performed-and lorry loads of sand. The developer, Imry Mer-chant, wants to build a 10-sto-

The impasse lasted all morning. The developers agreed to keep their sand lorries back as a junior minister in the Department of Environment embarked on four hours of talks with architects, planners and English Heritage, in an attempt to find a way of sav-ing the theatre, which was believed to have been built in

Mr McKellen, using a makeshift stage erected outside the site and sporting a tee shirt emblazoned with a picture of Shakespeare and the words "Will power", said after the announcement: "The battle may be in respite but it's not yet been run. Our determina-tion is going to have to con-

The protesters' minimum demands, he said, were that "the site should not be covered with some sand and gravel, it should not have any piling through it and it should be preserved with access for the public."

Prince Charles and Prince Edward, he said, had sent their support.

Others who turned up included Patrick Stewart, currently playing Captain Kirk in a new series of Star Trek. He beamed down at 5.30am and stayed most of the day. Mr Simon Jenkins, deputy

chairman of English Herita a government funded body which protects historic baild ings and monuments, announced at the Thameside site that a further meeting was to be held with the developers next week.

The architects, R Seifert and Partners, he said, were working round the clock to exam-ine ways to construct a roof

In the meantime the tempo-rary awning removed at the weekend would be put back and public money, believed to be up to £1m (\$1.63m), had been found to "cover the

Though a stay of execution was announced the Government made no promises about

Mr Nicholas Ridley, the

expenditure, he said, beyond the sum needed to recompense Imry for agreeing to delay

the 'last two or three days' that the archaeological work on the site, financed by Imry, had established that the remains were of greater imporance than was previously

He suggested that in view of the "fragility" of the remains preservation might best be achieved by having "a solid

Council next week. The criteria, outlined in a Exchange. Fierce competition The amount of time the draft report from a six-member sub-committee chaired by Mr and over-capacity has reduced the number to 27 from 35 at the market maker is showing the best bid/offered price available Nigel Elwes of S.G. Warburg,

market's peak, and many of those left face heavy losses. The proposals outline broad

monitored and enforced by the Exchange. Key elements are: ness with a firm's customers which is carried out at the

on the Exchange's automated quotation system. Seaq. In return, they have access to stock borrowing facilities, free-dom from stamp duty on long available in the market

WORLD WEATHER

on the Exchange's Talisman quoted on Seaq. computer-based settlements

ria could have the effect of further reducing the number of equity market makers on the

measurements which will be • The percentage of busi-

Market makers undertake to maintain competitive buying and selling prices in shares and to display their quotations price displayed on Seaq screens, and the proportion of this business carried out at the positions, and trading accounts

best bid and best offered prices • The size of deals firms are prepared to do at the prices

 The ratio of business done directly with clients com-pared with that done with other stockbrokers, and of business done via inter-dealer

in a given stock, and the ratio of the market maker's average spread in a given stock to that of the average of other market makers in that same stock. Concern over market makers' losses prompted the Stock

Exchange to adopt reforms last December, proposed by Mr Elwes' committee, that removed the requirement for market makers to deal directly with each other. The Exchange also lifted the requirement to publish transactions of over £100,000 until the following

storm of protest from firms who believed the moves would reduce transparency.

However, the report proposes further changes includ-ing a trial of a system known Close, under which market makers would see quotations on screens available only to them for 10 minutes. If no mar-

ket maker took up an offer to deal at the displayed price and volume, the offer would be made more widely available. The report also suggests abolishing the current market

definitions of alpha, beta and gamma stocks, replacing them with a new system that takes into account trading patterns and stock liquidity.

Ligachev accuser triumphs in Soviet election

CONTROVERSIAL prosecutor who has openly linked the name of Mr Yegor Ligachev, the Kremlin's leading conservative, with his investigations into corruption has triumphed in the run-off elections for the new Soviet parliament. Mr Nikolai Ivanov's score of

more than 60 per cent in the Leningrad city-wide poll was the most sensational result to emerge from Sunday's ballots, which were held in the 200 constituencies where no candidate won the 50 per cent necessary to be elected outright in the March 26 poll.

Mr Ivanov astonished televi-sion viewers last week by say-ing that Mr Ligachev had been

"named" in a corruption investigation. Both he and his fellow prosecutor, Mr Telman Gdlyan, are being "investigated" by a state commission, in what their supporters suspect is an attempt to neutralise them before they dig too hard into malpractices among senior offi-

in the new 2,250-member Congress of People's Deputies took heart both from Mr Ivanov's triumph and from the easy victory in a Ukraine constituency of the reformist magazine editor, Mr Vitaly Korotich.

Under Mr Korotich's guld-ance, the weekly Ogonyok has reported with astonishing frankness on the state of the

edy D-Drizzie F-Feir Fg-Feg H-Heil 1

Soviet economy, abuses in the army and judicial failings.

The March parliamentary elections, the first in Soviet history to offer many voters a choice of candidates, produced a humiliating defeat for many old-guard politicians in Lenin-grad and the Ukraine.

Sunday's poll in Leningrad, in which 34 candidates presented themselves but six with-drew at the last minute (apparently to ease the way for Mr Ivanov), was made necessary because Mr Yuri Solovyev, the city's party chief, failed to win 50 per cent of the vote in March.

In the Kuntsevo suburb of Moscow, Col Alexander Krus-

who has openly supported Mr Gdlyan, topped the poll with over 30 per cent of the vote. while the controversial playwright Mr Mikhail Shatrov came sixth, according to unofficial results, with 4 per cent. Col Kruskoy will now face the second-placed candidate, a newspaper editor, in yet another runoff.

Among the most remarkable new faces in the parliament will be that of Mama Yusupov Mohammed Sadiq, the newly-appointed Mufti of Tashkent, Verbeltstern when the Uzbekistan, who also won his run-off election this weekend in Tashkent. He is the first Moslem cleric in Soviet history to become a member of parlia-

Peking students score propaganda win

Continued from Page 1

Outside in Tiananmen Square the students showed no sign of giving up their hunger strike, now 2½ days old. About 70 have been taken to hospital. The square yesterday was littered with broken glass. This was not ordinary rubbish, but the result of smashing bottles in protest against Deng himself - a gesture no Chinese could mistake, for the name, Xiaoping, sounds the same as the Chinese for "small bottle." The students maintain that

China's leaders have made no

real concession to their demands for freedom of the press and greater democracy. Throughout yesterday, bands of supporters marched and cycled into the square, including a troop of teachers from Peking University. This follows a delegation of prominent intellectuals giving their tacit support to the students the previous night, a sign of growing support among the

older generation. The students have had a change of hero from the days of successful reform in 1984

when Deng was cheered in banners which read "How are you, Mr Deng." Yesterday the inscriptions said: "How are you, Mr Gorbachev?"

A banner in Russian, declar-

ing "Democracy - our com-mon dream," was stretched across the base of the Heroes' Monument where Mr Gorbachev was supposed to have laid a wreath today. Another pro-claimed "Welcome to the initiator of Glasnost." But Mr Gorbachev saw none of this as he sped away from the back door.

The dollar enjoys a European holiday

The world's central banks must be hoping that yester-day's surge in the value of the US dollar will blow off much of the speculative froth which has propelled the currency to its highest level in nearly 2½ years. With most of Europe's financial community on holiday yesterday, the latest jump in the dollar may well be an aberration, but if it continues to rise unchecked the authori-ties will be forced to take some drastic action and this could well deflate the current happy mood of the financial markets. Since President Bush was elected last November, the dollar has risen by 13 per cent against both the D-Mark and the Yen. Over the same period, the US trade deficit has shown

no sign of improvement, short-term US interest rates have hardly budged — although the West Germans have raised their rates by more than a third — and no progress has been made in resolving the US budget deficit. However, sentiment towards the dollar has changed markedly and its move above the DM1.92 level yesterday triggered a lot of stop/loss buying by investors, which probably explains why the central banks only put up

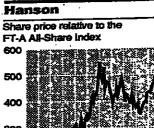
token resistance. As the recent rerating of the dollar has little to do with the day-to-day economic numbers coming out of US economy, it is well nigh impossible to judge when the recent huge flow of funds into the dollar will start to subside. The easiest solution would be for the dollar to stabilise of its own accord, but given the foreign exchange markets propensity to over-shoot on the way up as well as the way down, this could be wishful thinking.

It is beginning to look increasingly likely that US interest rates will have to come

down or interest rates else-where will have to rise, if the dollar's rally is to be stemmed. dollar's rally is to be stemmed. The equity markets are clearly betting on the former happening, and while the Tokyo has probably already discounted a rise in the Bank of Japan's discount rate, a further panic rise in West German Interest rates in the bath better the panic rise. would be bad both for European equities and, more partic-

Market makers

The Elwes committee's suggestions on performance crite-ria for market markers look suspiciously like the big boys closing ranks. While a perfectly good case can be made for the proposed moves in



terms of quality of markets, visibility and all that, the real motivation must be to put the pressure on those players without the client bases whose value added to the market place is doubtful As market place is doubtful. As market forces have been working pain-fully slowly in forcing the fringe players to shut up shop, it now seems that the Stock Exchange is going to give the

laggards some encouragement.

Hanson

The mission statement from Hanson Trust yesterday makes clear that the acquisitive ambi-tions of Lord Hanson are in tact, even after an eighteen month pause. However, it makes equally clear that while the prices of companies remain so high, it will remain a seller rather than a buyer. That should not worry its sharehold-ers unduly: in such a bad mar-ket for acquisitions, the biggest acquirer of them all could hardly be better placed for a very long rest. Yesterday's half year results

show organic growth of a nice steady 10 per cent, topped up by the high return on its cash alances of over £4bn and rising. Should market conditions suddenly turn - the slowdown in the pace of buyouts in the first quarter may be a straw in the wind - Hanson can move quickly. If it does not, the com-pany's unfashionable refusal to commit itself to "core busiplenty of room for more big disposals. The shares, which have had a 30 per cent re-rating in the past year, are still on a slightly sub-market multiple, suggesting a degree of caution remains. The future depends on whether Hanson will spend the money sensibly; the market is wise for now not to bet

too heavily on that.

Meanwhile, any disappointment yesterday at forecast dividend increase of "only" 25 percent was misplaced. The market has become fively and the market has become fively with ket has become fixated with the 10 per cent convertible, and had hoped for a bigger dividend to encourage holders to convert next February. Even if they do not do so. Hanson need not worry - unless it plans to buy BP or ICI by then.

BICC

The BICC management is so well regarded that it had little trouble convincing the City yesterday of the wisdom of paying over 30 times earnings for a US company with a patchy earnings record. Its story was plausible enough: Brintec is in a fast growing part of the US cable market in which BICC is thinly repre-sented, and there is much scope for margin improvement of the type already sqeezed out of the company's recent actu-sitions in US and in Europe.

Regardless of whether the Brintec deal proves a success, the company's stockmarket rating is looking increasingly odd. During the last year the shares have outperformed by 40 per cent on the strengths of its exposure to infrastructure spending. But when the contracting and construction sec-tor is on an average p/e of about 8, it is not clear that about 8, it is not clear that BICC deserves nearly 4 points extra. The cable side of its business may be well run, but with underlying growth of, say 8 per cent, it is not really the sort of activity that suggests a market premium.

News Corporation

At first sight a 13 per cent drop in News Corporation's third quarter net income and a two thirds jump in the quar-terly interest charge to A\$279m, is not the sort of news to justify the recent significant rerating in the group's shares. However, the group's gearing should be back to normal by the summer and the planned sale of the travel and electronic publishing business to Reed demonstrates the sorts of values which are tucked away in News' balance sheet. A pro-spective multiple of less than 9 times earnings reflects the market's continuing scepticism about the wisdom of Mr Murdoch's foray into TV in the US and now Europe. But provided Mr Murdoch can shuffle more of his debt into Media Partners International, News shares deserve a higher rating.

performing of all 99 authorised unit trusts investing in Europe since launch on 1st April 1988 until 8th May 1989.

The Morgan Grenfell European Growth Trust is the top

£1,000 invested at launch would now be worth £1,699.* However, the value of investments may fluctuate and is not guaranteed. Past performance is no guarantee of future returns.

Callfree 0800 282465 for more information.



European Growth Trus

leased by Morgan Grenfell Unit Trust Managers Ltd. Member of IMRO, LAUTRO and the Unit Trust

Sceptre Court 40 Tower Hill London EC3N 4BB Telephone: 01-702 2345

Also at Lloyd's

INSIDE

Trouble bubbles to a head



The spotlight is back on one of France's biggest and most bitter corporate battles. The Commission des Operations de Bourse, "gendarme" of the French stock market is ready to releases the findings of its long awaited investigation into

Moet Hennessy Louis Vuitton, the leading champagne, cognac and luxury products group. This report could clear the way for Bernard Amault, chairman of LVMH, to consolidate his authority or it could offer a last-ditch opportunity for Henry Raca-mier, head of the Louis Vultton clan, to check-Amault's thrust for power. Page 23

Bright boy from Idiot City

Tall, enthusiastic and slightly chubby, 44-yearold Hakan Mogren has spent his first year as president of Astra trying to push Sweden's biggest pharmaceutical company into the top rank of world drug businesses. He has hardly been helped in this by the company's location. For it is based in the unfashionable town of Sodertalge, long tamous as the site of a large mental asylum and known in Sweden as "Idiot City". writes Peter Marsh. Page 23

Land agents go huntin', shootin' and fishin'



Land agents have never been so busy, with some having twice as many farms for sale as usual. But, whereas the value of farms used the quality of land

and its suitability for growing good crops, the key factors now are more likely to be proximity to London and race courses, and the availability of fishing and shooting. Page 34-

A tale of two cities

Economic indicators brought joy to the US and jitters to West Germany last week so that, while Wall Street rose 2 per cent compared with the previous week, Frankfurt fell by about the same amount. Page 46

And now for News Corp's news Shares in News Corpo-



ration, international media group of Rupert Murdoch (leff), surged higher on a strong Aus-tralian stock market yesthird-quarter results showing a continued improvement in trading profit and large extraor dinary gains. This month's sale of the

group's worldwide travel and electronic pubish to Reed International brought in US\$825m. a sum high enough to suggest an undervaluation of News's assets. Page 25

Market Statistics

| uast lending rates | |
|-------------------------|--|
| Benchmark Govt bonds | |
| FT-A Indices | |
| FT-A world indices | |
| FT int band service | |
| Financial futures | |
| Foreign exchanges * | |
| I andon recent legues . | |

London traded options London tradit options

Companies in this section

| Amrel | 25 | LVMH |
|----------------------|-----|-----------------------|
| Angio-Eastern Plant | 28 | Lambert Howarth : |
| Astra | 23 | Low (William) |
| BPP Holdings | 29 | |
| Bank to Scotland | 31 | M6 Cash & Carry |
| Bermuda Star Line | 30 | MIL Research Group |
| Black, Peter | 29 | Malaysia Mining |
| Bohlins | 27 | Midlantic |
| Booker . | 31 | Minorco : |
| Bremner | 30 | -NMB: |
| Budgens | 28 | |
| Catalyst Communicatn | 29 | Newmont Mining : : |
| Chillington Corp . | 28 | News Corporation |
| Cons Gold Fields | 28 | |
| Cooper Cos | 30 | Ogilvy Group |
| Crystalate Hdgs | 31 | |
| Dalgety | 31 | Parkway Group |
| Deak International. | 23 | |
| Faupel | 30 | |
| Finseil | 24 | Premier Brands |
| Fitzwilton | 31 | REA Holdings |
| Galeway | 28 | Rank Hovis McDougall |
| Genentech | 22 | Rechem |
| General Electric | 22 | |
| Grand Metropolitan | 29 | |
| Grupo Indust Alta | 22 | Royal Bank of Can 25. |
| Hewlett-Packard | 22 | SA Breweries |
| Holmes & Marchant | 29 | SAC International |
| Inchcape | 25 | |
| Isoceles | 28 | Security Pacific |
| K Mari | 22 | Summer international |
| KPMG | 27. | Vivat Holdings |
| IV- MICH | | WIDO |

Chief price changes yesterday TOKYO (Yes)

Warner Howard

| Cray Ressenth Engoamb IBM Ogilvy Grp. Goodyear Fallis Howlest-Packand | 55½ + 74 + 1124 + 534 + 544 + | 2 | Full Kisson Inud Stamuship Kawasho Falifis Ishii Food Japan Steel Nippon Gas | 610 1209 1150 1030 1210 1070 | +++ | 40 100 70 80 80 |
|---|---|---|--|---|-----|-----------------------------|
| Franklart & Pa | ria classid. | - | | · | | - |

110

Tuesday May 16 1989

Hanson increases profits 26% to £447m

By Nikki Tait in London

HANSON, the diversified conglomerate, yesterday unveiled a 25.6 per cent increase in firsthalf pre-tax profits to £447m (\$743m), but played down sugges-tions that it might soon return to the acquisition trail.

Lord Hanson, group chairman said the company still believed that there was a "worldwide sell-ers" market" for companies. "While very much expansion-minded, the time has not been right for us to make a major acquisition."

Some analysts felt that this message was underlined by the company's decision to declare an interim dividend of 25p (against 1.8p last time) and — unusually— to forecast a final dividend of 5.5p (6.8p). It was suggested that 8.59 (6.89). It was suggested that the figure might have been higher if Hanson wished to encourage early conversion on its convertible loan stock, thereby boosting shareholders' funds for the purposes of a major acquisi-



Nevertheless, the company reported that its total cash resources were now over £4bn, with the net figure topping £1.5bn following the Allders department store and duty free shops sale, completed yesterday. Hanson said yesterday that the cash balance "produces a highquality income stream less seasonal than the trading profit which it replaces." In trading profit terms, the company has

Operating results by division six months to March 31 1989 UK total . Consumer **Building products** Industrial US total . Building products

been weighted towards the second half.

Disposals (mainly US) in the half year to end-March totalled over \$750m and took in the likes of the Kidde Fire Protection business and the Durkee and Hygrade food companies. However, the company described the first half as "particularly busy" on this front and conceded that

The trading results were much as analysts expected. Total sales in the six months were £3.77bn (£3.72bn), while trading profits

rose from £356m to £387m. Sales dipped on the UK consumer side, from £1.85bn to £1.83bn, but the company said that this reflected the reorganisation of its tobacco operations and the subsequent reduction in the number of brands. However, Hanson added that Imperial Tobacco

improved profits by over 10 per cent and said that the British Ever Ready batteries business also saw profits ahead of last year, despite increased imported raw material costs.
In the US, Hanson said that

overall trading remained strong in the face of increased raw material costs. The US accounted for just under 40 per cent of trading profit in the first half.

Some £60m (nil) came in from interest earned, property and other income minus central expenses, to leave pre-tax profit up from £356m to £447m.

After a 24 per cent (23 per cent) tax charge, earnings per share on a fully-diluted basis were up from 6.6p to 7.9p. Currency conver sions from Hanson's US operations are at \$1.688 (\$1.888) to

the pound.

Below the line, there was a £258m (£211m) extraordinary item, reflecting profit on asset

Bond suffers two fresh setbacks

By Gordon Cramb in London

MR ALAN BOND, the beleaguered Perth busin yesterday suffered two further setbacks abroad, just as shares in his companies were attempting a rally from their recent lows on Australian stock markets. In the latest in a series of

upheavals in Mr Bond's brewing, property and resources empire, he has lost his main London lieutenant with the resignation of Mr John Richardson. He had been chief executive of Bond Corporation in Europe for less than a

This coincided with indications from the Philippines yesterday

that a planned US\$475m mining investment by Mr Bond had hit insoluble legal and official snags, less than a month after it was

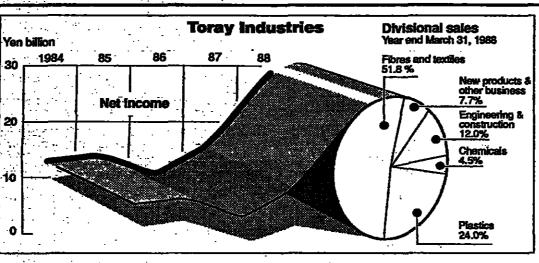
An official of the Asset Privatisation Trust, the government body responsible for selling off state holdings, was quoted as saying in Manila that it would reopen offers for the mothballed Nonoc nickel mine. Last month, Mr Bond, through his privately-held Dallhold Nickel Management, won the bidding to buy and rehabilitate the mine. However, Philippine law requires ownership of such assets

to remain at least 60 per cent in local hands, and Dallhold appears not to have convinced the authorities that it could comply.

In Sydney earlier yesterday, Bond Corp shares encountered a revival of interest, rising 17 cents to A\$1.28 (US\$1.01) after a low last Wednesday of instant.

last Wednesday of just A\$1.
Although Mr Richardson is said to have taken issue with Mr Bond on such events as the group's stake building in Lonrho, the UK trading multinational, his departure was described as ami-

Mr Richardson is succeeded by his deputy, Mr Michael Edwards.



The spinning-wheel comes full circle

Alice Rawsthorn looks at the expansion into European textiles by Toray of Japan

N THE outskirts of the Japanese city of Kyoto stands a small, somewhat incongruous group of Westernstyle houses. The houses were that the Japanese industry that the 1900s for a transfer of the standard difficult to built in the 1920s for a team of European engineers who had come to the city to construct a man-made fibre factory.

Some of the engineers were for-mer employees of Courtaulds, the British textile group that pio-neered the development of vis-cose rayon. Toray Industries, one of the emerging Japanese fibre producers, had attempted to secure a licence for viscose rayon Courtaulds refused Toray employed the engineers to create

a replica plant.

The Toray of today is the largest textile and fibre group in Japan, with interests in chemicals and plastics. When its financial results are announced in Tokyo on Friday, it is expected to report record pre-tax profits of Y52bn (\$383m) on sales of Y560bn for the year to March 31. Earlier this year, Toray made

its first big move into European textiles by buying — with more than a hint of irony — Samuel Courtauld, a weaving business in the north of England which is the

only company still bearing the original Courtaulds name.

The acquisition offers an opportunity for Toray to strengthen its links with the European market and forms part of the growing trend for Japan's textile groups to invest overseas. It is also indicative of a new confidence within the Japanese textile and fibre industry, which is emerging from a painful period of rationalisation.

Toray will be the latest in a line of Japanese fibre and textile groups to have announced record profits this year. The analysts who follow the textile sector on the Tokyo Stock Exchange expect Japan's nine biggest textile and fibre groups all to report record pre-tax profits for the first time in 15 years in 1988-89.

This is a stark contrast to the

upon the Japanese textile and automation. One of its major

despondency that descended

found it increasingly difficult to compete in export markets. It also faced a sharp surge in imports from South Korea and Taiwan into its domestic market. The Japanese fibre giants – with the exceptions of Asahi Chemical and Mitsubishi Rayon - tend to be less widely diversi-fied than their Western counter-

parts, such as Du Pont of the US and Hoechst of West Germany. Toray has expanded in chemicals and plastics, but still makes more than half its sales from fibres and textiles. The growth of other interests was not sufficient to counter the decline of its core

Toray, like the rest of the industry, suffered intense pressure on output and profitability. It was forced to resort to radical rationalisation that included the closure of a polyester staple plant at Mishima and a nylon filament factory near Kyoto.

I he closures involved huge job losses. This posed a serious problem for Toray and for the other textile groups involved in rationalisation - in that it is customary for Japanese companies to offer "jobs for life". Toray honoured the custom by redeploying as many employees as possible in more buoyant areas. Yet its workforce has been reduced through natural wastage and an early retirement programme - from 12,500 in 1985 to 9,600 today.

Toray combined cost-cutting with the restructuring of its interests to emphasise the val-ue-added products, where the South Koreans and Taiwanese were less competitive. It has increased its involvement with industrial, rather than consumer fibres, to take advantage of the growth of Japan's booming car and construction industries.

It has also invested heavily in

innovations - shared by Asabi and Teifin - is the development of a "one-step" spinning system which is twice as fast as the conventional system. Similarly, its weaving plants in Indonesia and Thailand are being re-equipped.

¬ he rationalisation is one of the chief catalysts for Toray's record profits. It has also benefited from less com-petitive conditions in the Japa-nese market. The level of domestic demand has improved, while its South Korean and Taiwanes competitors have been struggling against rising labour costs. Mr Kohei Sakamoto, executive

vice president, said Toray expects to be able to maintain its current level of textile and fibre capacity for the foreseeable future. It is this confidence that has encour-aged it to expand in Europe by buying Samuel Courtauld.

Toray has manufactured tex tiles in South East Asia since the 1970s. This strategy reflected the need to cut costs. The Samuel Courtauld acquisition, by contrast, is based on the need to improve service and communica tions with its European customers. It also offers a chance to boost profitability by breaking away from the three trading houses - Mitsubishi, Mitsui and Itoh - which dominate Japanese textile exports.

The same rationale has prompted other Japanese companies to begin overseas textile ventures. Wacoal, the giant lingerie group which is already involved in the US, is expanding into Europe, as are Kurabo and Toyo Menka Kaisha. However, the scale of investment so far is too small to assess the long-term implications for the European

Toray is now dispatching a team of technicians from Japan to assess the Samuel Courtauld mills. The company which once "imported" engineers from Courtaulds for a factory in Japan, is returning the compliment by sending its own team in the oppo-

BICC makes \$177m agreed offer for **BRIntec of the US**

By David Waller in London

BICC, the UK cables and electrical cable market will construction company which has enjoyed a powerful re-rating on the London stock market over the last year, yesterday announced a major move into the US cables market with the acquisition of BRIntec Corporation for

The agreed deal - to be effected via a tender offer - will take BICC into the market for electronic and electrical cables in both the US and Europe, a sector where the group has not had a major presence until now except in the UK. It follows the purchase of Cablec, another large US cables group, in September

BRIntec had sales of \$337.3m in 1988 on which it made a pre-tax profit of \$9.2m, half the level achieved in 1986. BICC yesterday blamed the poor performance over 1987 and 1988 on a mixture of beavy price competition and rapid increases in material

Gross assets of the businesses being acquired were \$120m at the end of last year, before taking account of debt of \$55m.

Mr Robin Biggam, BICC's chief executive, said yesterday that the latest deal killed two birds with one stone in that it added to the group's geographical coverage as well as taking it into a new niche

Group turnover in the US will rise by \$200m to \$750m in the current year, BICC's share of the

amount to 10 per cent in the US and 25 per cent in the UK.

Mr Biggam predicted that the acquisition would not dilute BICC's earnings per share this year and would enhance them thereafter. The purchase price would fall after the planned disposal of a company that sells connectors for power and control equipment. This sale could raise as much as, if not more than, the subsidiary's asset value of \$60-\$65m, Mr Biggam added.

Stockbrokers remarked that while the deal looked expensive in terms of BRInter's profits, it was not necessarily so in terms of turnover acquired. Moreover, there would be plenty of scope for rationalisation: Mr Biggam predicted that in time it would be possible to double margins and pointed to the performance at Cablec, where margins had doubled over three years. The acquisition is to be

financed via a vendor placing of 22.05m new BICC shares which have been conditionally placed by S.G. Warburg & Co via Cazenove & Hoare Govett; existing shareholders are entitled to a full clawback on the basis of four new shares for every 43 held. The new shares will be offered at 485p, against yesterday's price

of 510p, down 7p on the day. The tender offer has the backing of shareholders speaking for 41 per cent of BRIntec. Lex, Page 20

stake in Christies

By Clay Harris in London

CHRISTIES International, the London-based fine art auction house, was wondering yesterday whether its own future was on the block after it discovered that ADT, the Bermuda-registered electronic security systems and vehicle auction group, had built

up a 5.6 per cent stake in its ordinary shares.

Although Mr Michael Ashcroft, ADT chairman, was coy about his next move, Christies shares closed 26p higher at a record £10.08. This values the group at about £415m (\$690m) taking account of the "A" shares - about 20 per cent of the total

- which do not trade freely and are controlled by a voting trust.

ADT's foray into the saleroom met a predictable response from Christies. It appeared to be no happler about the possibility of joining the same stable as the former British Car Auctions than its rival Sotheby's had been in 1983 about a bid from US investors. tors Mr Stephen Swid and Mr Marshal Cogan, dismissed by the defence as carpet felt makers.

Mr Christopher Davidge, Christies' managing director. said art and motor vehicle auctions differed in the quality of the people involved and the nature of the businesses. The selling of fleets of cars is different from selling individual lots," he said.

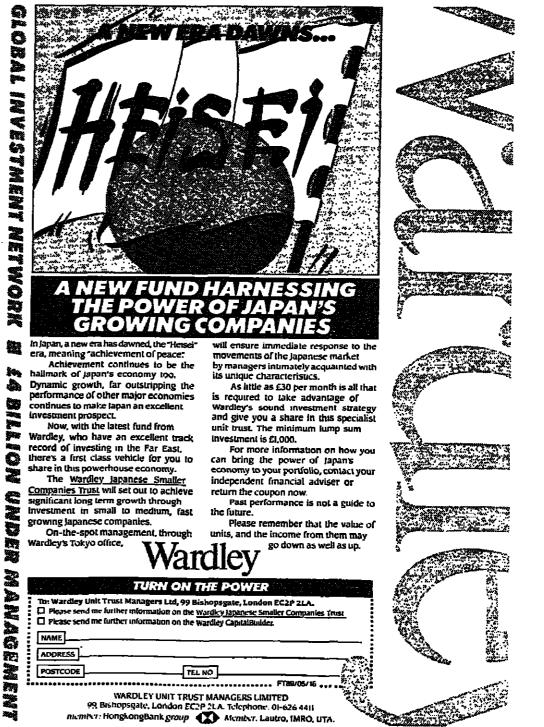
The only overlap between ADT and Christies is a minor activity for each - vintage car auctions. Mr Bruce Jones of London stockbroker Kitcat & Aitken suggested, however, that behind the superficial contrasts there were similarities in the handling of multiple clients and the processing of paperwork. "Money is made or lost in pure efficiency," he said.

Nevertheless, Mr Jones said the stake-building could revive doubts about the former Hawley Group's stated determination to stick to electronic security and vehicle auctions. ADT shares closed 4p higher at 178p.

ADT has been buying shares

through nominee accounts at least since the beginning of the ity was traced through Section 212 notices which enable UK companies to demand disclosure of beneficial ownership.

Christies last figured in take-over speculation in 1986 and 1987 when its smaller London rival, Phillips, built up a 5 per cent stake and considered a bid. Also on the share register are the Australian businessman Mr Robert Holmes à Court with 6.3 per cent and the Cayzer familycontrolled Caledonia Investments (6.4 per cent).



PAREUROPE GROWTH SICAV Société d'Investissement à Capital Variable 10A, Boulevard Royal R.C. Luxembourg B 25755

Avis gux Actionnaires

Nous vous prions de bien vouloir assister à l'Assemblée Générale Ordinaire de PAREUROPE GROWTH SICAV, Société d'Investissement à Capital Variable, qui sera terme au siège social, 10A, Boulevard Royal, Luxembourg, le Mercredi 24 mai 1989 à 11 heures

- Recevoir et adopter le rapport de gestion du Conseil d'Administration pour l'exercice clos au 31 décembre 1988. Recevoir et adopter le rapport du Réviseur d'Entreprises pour l'enercic clos au 51 décembre 1988.
- Recevoir et approuver les comptes annuels aurêtés au 31 décembre 1988, Amêter la répartition bénéficiaire de la Société.

 Donner quitus sux Administrateurs et su Réviseur d'Entreprises pour l'accomplissement de leur mandat jusqu'au 31 décembre 1988.

 Renouveler le mandat du Réviseur d'Entreprises pour un semme d'un au devant expirer 1 la prochaîne Assemblée Générale Ordinaire des Actionnaires.
- Les actionnaires nominatifs inserts an neglatre des actionnaires à la date de stemblée seront autorisés à voter ou à donner procuration en vue du vote. Les procurations doivent pervenir au siège social au moins 24 houres avant réunion.

Pour le Conseil d'Administration



Santa Barbara Savings and Loan Association

red under the laws of the State of California

U.S. \$100,000,000 Collateralized Floating Rate Notes Due 1996 Notice is hereby given that the Rate of Interest has been fixed at 10% p.a. and that the interest payable on the relevant interest Payment Date, August 16, 1989, against Coupon No. 12 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$2,555.56.

May 16, 1989, Londan By: Citibank, N.A., (CSSI Dept.), Agent Bank CITIBANCO

NOTICE TO **ADVERTISERS**

NEW FT FAX NUMBER

From Monday 20th March The Advertisement Classified Fax Number is : (01) 873 3064

Mortgage Intermediary Note Issuer (No. 1) Amsterdam B.V.

or the three month period from 15th May, 1989 to 15th August, 1989 the Notes will bear interest at the rate of 13 174 per cent, per annum. The Coupon amount per £25,000 Note will be £834.93 payable on

Morgan Grenfell & Co. Limited

New Issue

WATER INDUSTRY

The Financial Times proposes to publish this

survey on:

20 JUNE 1989 For a full editorial synopsis and advertisement details,

nlease contact: DENIS CODY on 01-873 3301

or write to him at: Number One Southwark Bridge

FINANCIALTIMES

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities.

U.S. \$200,000,000

USINOR SACILOR

U.S. Medium-Term Notes

Direct-Pay Letter of Credit

provided by

Banque Nationale de Paris

Senior Lead Manager

Banque Nationale de Paris

Lead Manager

Crédit Lyonnais

Managers

The offering is made only by the Offering Circular.

SEI 9HL

INTERNATIONAL COMPANIES AND FINANCE

Hewlett's shares plunge on scaled-down forecast

company's minicomputers and workstations.

According to the company's

statement issued yesterday, product orders booked during the period "continue to look

good," but preliminary revenue

By Louise Kehoe in San Francisco

HEWLETT-PACKARD's stock price plunged yesterday in heavy trading on news that the computer and electronics manufacturer is projecting lower than expected earnings for the second quarter, which ends on April 30.

The stock fell by \$6% in early trading, regaining some of its loss by midday to stand at \$53, down from a Friday close of \$57%.

The company said net earn-ings were expected to be in the range of 85 cents to 90 cents per share compared with 82 cents per share in the second quarter of 1988.

The announcement came as a shock to security analysts who as recently as Friday were raising their earnings estimates to more than \$1 per share, citing strong sales of the

Rio Algom sells

S Korean group

RIO ALGOM, the diversified Canadian mining company controlled by Britain's RTZ,

has signed an agreement to sell its specialty and stainless steel

manufacturing operations to Sammi Steel of South Korea

steel units to

By Our Financial Staff

be about 2 per cen to 3 per cent below expectations. LTV wins court battle

A FEDERAL US appeals court

for about C\$250m (\$211.8m). Sammi said the acquisition require the group to resume responsibility for a \$2bn short-fall in three of the company's will increase its annual production capacity for specialty steels to 1.5m tons by early 1990. This will make it the world's largest specialty steels

The transaction, which was announced this March and is subject to government approval in Canada, Korea and the US, is expected to be completed within two months.

The operations to be sold had sales of C\$582m last year and include Atlas Stainless Steels of Tracy, Quebec, Atlas Specialty Steels of Welland, Ontario, and Tech Specialty Steel of Dunkirk and Watervliet, New York.

numbers "are below expecta-tions" relative to orders.
"Though incoming orders continued, the good momen-tum we experienced in the first growing computer workstation market, analysts noted, and has increased its share of the quarter and the mix of orders was different from what we had planned, and we were unable to adjust production schedules quickly enough to accommodate this change." personal computer market. The profit margins on these prod-ucts tend, however, to be lower than those on larger computer

"We also experienced greater

than expected pressures on gross margins and higher trade

discounts, due in part to the continuing shift in the mix of

sales through dealers and other value added resellers ver-

HP has been making an aggressive push in the fast

sus direct-to-customer sales."

said Mr John Young, Hewlett Packard's president and chief "While we're concerned about these developments, executive officer.

"As a result of this and other we're confident they are manageable, and will be the locus of our management efforts in the months ahead," said Mr eable, and will be the focus factors, reported revenues will

over pensions ruling

panel has upheld a pensions ruling in favour of LTV, the US steel, energy and aerospace group, which has been in bankruptcy proceedings since seek-ing court protection from creditors almost three years ago, AP-DJ reports from New York. The court found that a federal pension agency cannot

pension plans.

The decision was hailed by LTV as clearing a major hurdle in its efforts to reorganise under Chapter 11 of the federal

Bankruptcy Code. The issue was remanded to the agency, the Pension Benefit Guaranty Corporation, for further consideration. However, if the agency decides to hold an administrative proceeding on the matter or to fur-ther appeal the decision, a solution enabling LTV to reorganise will be delayed.
Mr Julian Scheer, a senior
vice president of LTV, said the

May 1989

Deutsche Bank AG

Union Bank of Switzerland

Banque Stern Swiss Bank Corporation Group

Succursale de Paris

Crédit Suisse

Crédit du Nord

monsly upheld a lower court ruling and that the pension agency's "most sensible move would be to resolve the matter. "Retirees have been in limbo," he said. PBGC should negotiate

LTV has argued it cannot come up with a plan to pay its debt if it is held responsible for the pension funds' shortage.

A three-judge panel upheld Judge Robert Sweet's finding that the pension agency had not proved LTV could afford to make up the funds. The court

supported the judge's ruling

that the agency's conclusion had been reached in an "arbitrary and capricious" manner. The pension agency is in charge of insuring 40m US workers' pensions. It said it was concerned that if LTV were able to avoid reinstatement of the plans, other com-panies with under-funded pension plans would have an incentive to seek bankruptcy-law protection to ease their

own pension obligations.

Midlantic agrees to buy

Albany.

and beyond."

ter of this year.

five banks from BNY

By Karen Zagor in New York

K mart reports dip in income

By Karen Zegor in New York

K MART, the world's second biggest retailing group after Sears, Roebuck, yesterday reported a sharp decline in first-quarter income despite a small increase in sales.

Net earnings for the three months to April 26 fell 22.1 per cent to \$94.1m or 47 cents a share from \$120.8m or 60 cents for the same period the

previous year.
Sales were \$6.07bn, an increase of 3.9 per cent from \$5.84bn a year earlier.
The Troy, Michigan, company said gross margins were lower than in 1988 at 27.8 per ent, which was down from

28.2 per cent. This reflected a higher contribution to sales from K mart's low margin Makro store business as well as

higher inventory charges.

Lower than expected sales resulted in the selling, general and administrative expense ratio rising 0.5 of a percentage point to 25.2 per cent of sales. Increased advertising, pension and pre-opening expenses contributed to the higher

expense ratio. Wall Street was also disappointed in K mart's results. Analysts had expected firstquarter earnings to be about 65 cents a share.

The company's stock fell \$5 to \$37% in midday trading on the New York Stock Exchange. Mr Joseph Antonini, chair-man of the board and chief executive, said: "The drop in cornings was the result of a sales shortfall from plan. Cooler than normal weather during March and the first two weeks of April adversely affected sales of outdoor patio goods and plants, both very important seasonal lines for K mart, and also burt sales of our sweet lines.

our apparel lines.

"We are encouraged by the marked improvement in sales in the last two weeks of April and-early May. We anticipate an improving trend in sales and carnings," he said.

pany of Syracuse and the Union National Bank of

Mr Robert Van Buren, chair-

man of the board, said: "This acquisition will not dilute Mid-

lantic's 1989 earnings and will provide a positive contribution to our financial results in 1990

The agreement is still subject to approval by federal and state banking regulators. The acquisition is expected to be completed in the fourth quarters of this result.

Grupo Industrial Alfa buys back 27% of its stock

Mexico's biggest private sector mexico's niggest private sector holding company, now concen-trating mainly on steel and petrochemicals, has succeeded in buying back 27 per cent of the company's stock issued as part of a massive debt resched-reservition in 1027.98

uling operation in 1987-88.
This has enabled the congiomerate and its main national shareholders, the Garza Sada family, to recover the bulk of the equity created as a result of a highly success-

ful rescue.

Believed to be the biggest such corporate salvage in Latin America, the operation wiped \$1.5bn of the \$2.7bn foreign borrowings off Alfa's books and gave bank creditors a 45 per cent stake in a smarthy

per cent stake in a greatly expanded equity base. In a deal costing \$220m, raised partly from the group's cash resources and from new borrowing, GIASA, the holding company, recently purchased the shares originally held in a Bahamas-based trust fund.

which has now been wound up.
The rest of the stock held by
signatories of the rescheduling accord has already been exchanged for trust receipts which can be freely traded as ordinary Alfa voting shares.

Mr Peter Hutchison, GIASA finance director, said only \$400m of the \$2.7bn which drove the group into virtual insolvency in 1982 is still out-standing. Total debt is now about \$1bn, composed also of roughly \$200bn in supplier credits and \$400bn in new debt. Ratio between debt and equity is calculated at 0.2/1

compared with 8.7/1 in 1982. In 1988 the group recorded on its balance sheet a profit of 1,447bn pesos (\$634m at the end-December exchange rate

GRUPO Industrial Alfa, which was in force for 10 months of the year), compared with a loss of 217bn pesos in

Wholly-owned Hylsa steel company, with 23 per cent of Mexican production, was the main contributor with 433bn pesos (46 per cent) while the petrochemicals division accounted for 317bm pesos or 33

per cent. More than half of overall bal-More than half of overall balance sheet profit was accounted for by extraordinary and non-recurring items, in particular, the fixed peso-dollar exchange rate for 10 months of last year which "through its effect on real interest rates on dollar liabilities had a very favourable effect on group receits." Alfa said.

profits." Alfa said.

That was a "non-cash gain,"
Mr Hutchison said. The 1988 balance sheet was boosted by the sale of several subsidiaries under the divestiture plan and rationalisation programme

agreed with creditors.
On this front the group, with the winding up of the Bahamas trust, has been absolved of any further obligations. Not the least of the settle-

ment with creditors has been the fact that GIASA has been able to retain control of lossmaking assets which were going to be disposed of but have emerged as major profit centres, said Mr Hutchison.

Foremost among them is Nemak, a joint venture with Ford Motor of the US, which makes aluminium engine heads for the motor industry. Its sales volume rose by 81 per cent last year to \$62m, of which 98 per cent was accounted for by exports. The food division, which was also under threat, also excelled

Genentech signs research deal with UK drugs group

By Peter Marsh

GENENTECH, the US pharmaceuticals and biotechnology company, is to work with Kenova, a small British drugs group, on joint studies involving new types of naturally occurring biological substances which could be used to MIDLANTIC, a leading US cott, the First National Bank of regional bank, yesterday signed a definitive agreement National Bank & Trust Comtreat heart ailments and other

The two companies plan to share commercial rights to any products which emerge from the research and which could be launched on markets throughout the world in the

next decade.

Mr Colin Crooks, managing director of Xenova, sald yesterday the two groups would together examine tens of thou-sands of molecules isolated from plants, fungi and other

natural substances, The research would use automated screening technology devised by Xenova to pin-point specific compounds which could be adapted to form drugs. Genentech, formed in the late 1970s, is best known for the development of its version

tor, which the company calls This is based on a naturally occurring protein and can be used to treat the aftermath heart attacks by unblocking

of tissue-plasminogen activa-

blood clots. Xenova, based in Slough, Berkshire, was formed in 1987 and last year had revenues of just £100,000.

It has signed other joint research ventures with Hoff-mann-La Roche, the Swiss pharmaceuticals company, and Du Pont, the large US chemi-

cals company.

These deals are aimed at using screening technology similar to that to be used in the Genentech arrangement to uncover other possible drugs which could be developed from natural molecules.

GENERAL Electric of the US is to cut 1,400 jobs and close fac-tories in Georgia and Maryland language Roper plant in Lafay-ette, Georgia, by the end of 1990. to consolidate electrical equip-ment manufacturing operat-ions in its appliance division,

to buy five banks from the Bank of New York, making it the only bank holding com-pany with branches in New

York, New Jersey and Pennsyl-

The Edison, New Jersey-

based company will pay about \$291m for the banks in upstate

New York, which had \$2,1bn of assets at the end of the first quarter. Midlantic has assets of

The banks are Central Trust

Company in Rochester, Endi-cott Trust Company in Endi-

Reuters reports.

GE, the fifth largest US company based on 1988 revenues of \$49.4bn, said it will close the electric appliance plants to reduce overcapacity. As a result, a large part of GE's production will be transferred to a

GE cuts 1,400 appliance side jobs

Georgia factory, both of which will be closed within weeks.

The consolidation will also affect GE's appliance facility at Louisville, Kentucky. The company said workers in its factory there will be trimmed to 1,100 from 1,500 by mid-1991. Some 900 jobs will be elimi-nated with the closure of the Maryland plant and 100 at the Tenneco Inc



is our 43rd

The 1989 second quarter dividend of 76¢ per share on the Common Stock will be paid June 13 to stockholders of record on May 26. About 156,000 stockholders will share in our earnings.

Karl A. Stewart, Secretary

Wells Fargo & Company

U.S. \$250,000,000

Floating Rate Subordinated Notes due 1997 In accordance with the

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 16th May, 1989 to 16th August, 1989 the Notes will carry an Interest Rate of 104/8% per annum. nterest payable on the relevant interest payment date 16th August, 1989 will amount to US\$257-15 per US\$10,000 Note.

> Agent Bank: Morgan Guaranty Trust Company of New York London

Correction Notice U.S. \$100,000,000 Allied Irish Banks Pic Subordinated Primary Capital Perpetual Floating Rate Notes

Perpetusi Floating Hate Notes Notice is hereby given that in respect of the Interest Period from April 28, 1989 to July 31, 1989 (94 days) the Notes will carry an interest Rate of 10%% per annum. The coupon amount payable on July 31, 1989 will be U.S. \$275.80 and U.S. \$6,894.97 per U.S. \$10,000 and U.S. \$250,000 Notes respectively. By: The Chase Manbattan Bank, N.A. London, Agent Bank

ent only and does not constitute an invi Subscribe for or junchase shares. The Council of The International Stock Exchange of the United Kingdom and Republic of Ineland Limited ("The Stock Exchange") has granted permission for the new common shares of DN.5 to be admitted to the Official List. It is expected that dealings will commence on 18 May 1989.



Rights Issue of 3,334,065 common shares of Dfl.5 at Dfl.92.40 per share, payable in full on Tuesday 30 May, 1989

following implementation of the Rights Issue

Authorised 60,000,000

Common shares of Dfl 5

Share Capital

40,008,787

The common shares of Aegon N.V. are listed on The Amsterdam Stock Exchange. Copies of the English language version of the Dutch prospectus may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 18 May 1989 from the addresses below:

Aegon N.V. Mariahoeveplein 50 2591 TV's The Hague

UBS Phillips & Drew Securities Limited 100 Liverpool Street London EC2M 2RH

BNP Capital Markets Limited

Crédit Commercial de France

National Westminster Bank s.a.

Crédit Industriel et Commercial de Paris

Banque Française du Commerce Extérieur

Banque Paribas

Merrill Lynch International Limited

Depositary **Irving Trust Company**

Österreichische Länderbank

Aktiengesellschaft

Arrangers

Copies of the Offering Circular may be obtained in the jurisdiction in which this announcement is circulated from the undersigned where they may lawfully offer these securities in such state.

Medium-Term Note Agent

Merrill Lynch Capital Markets

INTERNATIONAL COMPANIES AND FINANCE

COB to rule on LVMH Stool share dealings this week

THE SPOTLIGHT is expected to focus once again this week on one of France's biggest and most bitter corporate battles when the Commission des Operations de Bourse (COB), the French stock market watchdog, releases the findings of its long awaited investigation into dealings in Moet Hennessy-Louis Vuitton (LVMH). LVMH, the country's leading champagne, cognac and hixury products group, boasts the largest capitalisation on the

The COB report could either clear the way for Mr Bernard Arnault, the 40-year-old chairman of LVMH, to consolidate his authority and control over the luxury conglomerate or offer a last-ditch opportunity for Mr Henry Racamier, the 76-year-old head of the Louis Vuitton clan, to check Mr Arnault's efforts to secure absolute power over the group. The French stock market "gendarme" launched its investigation into LVMH share dealings in January. The inquiry has been looking into possible insider trading violations at the beginning of this year when an unusually large volume of LVMH shares was traded just before the company reported glowing profit esti-mates showing a 50 per cent increase in 1988 earnings over

the previous year.

The COB has also been examining whether Mr Arnault took control of LVMH during his stock market raid last January. Mr Arnault-has always claimed he did not take control. But if the COB rules otherwise he would be forced to make a full offer to all othershareholders at the same price

he paid for his controlling block in January. The inquiry has also centred on a third issue involving Mr Arnault's acquisition at an attractive price of a large amount of LVMH Luxembourg-quoted share warrants last year. This helped him build up his dominant position in the group's capital.

(CXC)

ugs gr

Mr Arnault, who now controls with Guinness 46.5 per cent of the fully diluted capital of LVMH and 35 per cent of the voting rights, has repeatedly denied charges of irregular dealings and has, on the sur could be forced to sell the





Arnault (top) and Racamier: battling for control

face at least, always appeared confident that he would be cleared by the COB investigation. But the COB findings are by no means a foregone conclusion and could yet reserve a

Of the three issues under investigation, it is the acquisition of the share warrants last year which risks posing the biggest problem for Mr Arnault, according to stock market analysts. The current betting in the market is that while Mr Arnault is expected to be cleared of insider trading allegations and is also unlikely to be forced to make a full offer for all outstanding LVMH shares, he could come unstuck over his acquisition last year of the LVMH share warrants. Under those circumstances, he

stake acquired through these warrants, helping to redistrib-ute the balance between the various shareholding blocks in

the company.

Mr Arnault would then see his share of the voting rights drop to around 30 per cent, while the Vuitton clan would see its share increase from a 27 per cent to around 30 per cent. This could set the stage for an interesting proxy fight at the group's annual meeting on

Mr Racamier is clearly hoping that unfavourable findings against Mr Arnault by the COB will undermine his younger rival's standing in the financial community and help swing some of the other institutional

Hennessy families to his side.

Mr Racamier recently blocked in the law courts an attempt by Mr Arnault to secure overall management control of the Vuitton holding company and in so doing force him to resign. But if the COB inquiry clears Mr Arnault, Mr Racamier will find it extremely hard to resist Mr Arnault's final assault at the LVMH annual meeting next month and the Vuitton holding company's annual meeting a few days later.
Mr Arnault would then find

himself the undisputed boss of the French group, although his control will ultimately continue to depend on his relation ship with Guinness.

For his part, Mr Arnault has sought to secure the confi-dence of both the French finan-cial establishment and of the Moet-Hennessy clan by appointing first Mr Jean Dromer, former head of the UAP state insurance group, as chairman of his Financière Agache holding company, and then at the end of last month by naming Mr Frederic (Fred) Chandon de Briailles at the top of the LVMH supervisory

But the summary replacement last week of the famous fashion designer Mr Marc Bohan by the Italian designer Mr Gianfranco Ferre at Chris-tian Dior, the venerable haute couture house controlled by Mr Arnault, has been seized by his critics and opponents as another example of his brutal

Jarden Morgan to sell **Deak Intl**

By Our Financial Staff

DEAK INTERNATIONAL, a North American money and metals broker, has been put up for sale by Jarden Morgan, the New Zealand investment bank which rescued it from Chapter 11 hankruptcy proceedings in the US three years ago. Jarden said it recognised it

did not have the resources to give the company the financial support which an internasupport which an interna-tional organisation of its kind required. It paid a reported US\$12m for 75 per cent control of the former Deak & Co in 1986, since when the unit, now wholly owned, has been involved in a series of acquisi-

In early 1987 it agreed the takeover of a foreign exchange dealer in Hong Kong and paid £17.2m (\$28.6m) for Johnson Matthey Commodities, then owned by the Bank of England following the collpase of John-son Matthey Bankers, its par-

Jarden said that as of last

September, Deak International comprised around 35 per cent of shareholders' funds for Jarden and 75 per cent of its debt. Its original intention to float a minority of Deak on a US or Canadian stock exchange within three years was put into abeyance by the October 1987 crash.

Pre-tax profits surge 31% at Daiwa House By Robert Thomson

DAIWA HOUSE Industry, Japan's second largest home builder, lifted pre-tax profit 30.8 per cent in the year to March to Y44.03bn (\$324m) on a 20.6 per cent increase in sales during a year of strong domestic growth.

The company has been expanding its leisure interests with golf course and hotel projects in resort towns to take advantage of sharply rising domestic tourism and the official emphasis on reducing work hours and increasing le sure time.

Mogren aims Astra at the stars

The new chief of Sweden's top drugs group talks to Peter Marsh

hen Mr Hakan Mogren became presi-dent of Astra, Sweden's top drugs concern, after 10 years in the confectionery business, his appointment prompted jokes that he might introduce the pharmaceutical industry to chocolate-coated medicines.

But his ideas have proved to be more orthodox, as belits the challenging task which the 44-year-old Mr Mogren has taken on: to shove Astra, Sweden's biggest pharmaceutical company, into the top rank of world drug businesses.

Tall, enthusiastic, bespecta-cled and slightly chubby. Mr Mogren joined Astra in early 1988 after spending 10 years in the top job at Marabou, a leading Swedish confectionery maker. He had originally loined Marabou as a research

Mr Mogren's views strike at what many believe to be a cen

| | | _ |
|--|--|--|
| SIZ | K-YEAR | RECORD |
| | Sales (SKr m) | Pre-tax prof (SKr bn) |
| 1983 1984 1985 1986 1987 1988 | 3.56 3.91 4.43 4.96 5.40 6.27 | 0.65 0.78 1,01 1.15 1,29 1,50 |

tral problem at Astra. The company is acknowledged to have an excellent research and development (R&D) pro-gramme and a good profits record. But with sales last year of SKr6.2bn (\$1.05bn) the company is too small at the moment to have more than a passing impact on the world drug industry.

Basically, says Mr Mogren, Astra has to grow up. With this aim in mind he is introducing tighter management disciplines and a new focus on mar-keting. "I have a strong belief in the future of the company. But Astra will have to be more systematic than in the past,

He adds: "We're starting a new phase. Either we are going to turn into a real international company or we remain a North European niche pro-Although Astra is well

known to pharmaceutical industry insiders, the company is very much a middleweight in the global drug business, in which it occupies about 45th

position in terms of sales. The company's location hardly helps its image. It is based in the unfashionable town of Södertälge, 45 minutes' drive south of Stockholm. Södertälge was for many years the site of a large mental asylum and is known in Sweden as "idiot city."

Against Astra's modest sales position, it has a number of promising drugs in its research pipeline which could, some analysts believe, propel it up the pharmaceutical league table over the next decade. One of these medications is

One of these medications is Losec, a new type of anti-ulcer drug which many believe could challenge the dominance in this field of Zantac, the world's best selling medication which is made by Glaxo of Britain. Other highly thought of future products include a heart drug called Plendil and Roxiam, which might help combat schizophrenia.
The favourable view of

The favourable view of Astra's research capabilities is clearly shared by Merck of the US, the world's leading pharmaceuticals group with annual sales some five times larger than that of Astra. In 1982 it agreed to hand the Swedish company \$60m in exchange for company \$60m in exchange for US marketing rights to a number of the Astra products under development, including

Mr Mogren sees his job as very much geared to maximis-ing the revenues which can be gained from Astra's research strengths. Helping Mr Mogren in this is his marketing-oriented business approach, which he backs up with a doc-torate in applied biochemistry. Astra's new president describes Astra as a "fantastic" company. But he was worried by the lack of focus to much of Astra's commercial thinking

r Mogren's views about tight manage-ment are in stark contrast to those of his prede-cessor. Mr Ulf Widengren was Astra president for a decade before he died suddenly from cancer in 1987. He was a seatof-the-pants businessman who ran the company by instinct and spent more than half of each year on the road picking up ideas and geeing up com-

which he says he discovered when he took over.

Under Mr Widengren, Astra



Hakan Mogren: faces a challenging task

grew strongly and company employees are full of praise for his skills as a motivator. But the company's organisation was somewhat messy: lines of communications were communications were extremely long with about 50 managers reporting to the president alone.

Soon after taking over at Astra, Mr Mogren commissioned PA, the British management consultantcy, to ask 40 of Astra's senior managers what they thought about the com-

Many said its strategic think-ing could be improved and that they were not sure what was being expected of them.

Buttressed by this piece of research, Mr Mogren cut the

numbers reporting directly to him to about 15, vesting day-to-day management control in a four-man executive committee. The new structure has a strong accent on marketing with the world being carved up into seven regions with one person responsible for

Mr Mogren thinks Astra will have to target its drugs far more effectively at specific regions, if necessary coming up with different sales strategies for each area, if it is to make the most of the good products coming through the research

Regarding the key markets of the US and Japan - the two biggest markets for pharma-ceuticals - Mr Mogren has already demonstrated his keenness to think afresh Astra's sales methods. In the US, he is reviewing the the relationship with happy for Merck to sell Astra's products in the US in the short term. But further into the 1990s he might wish to build up Astra's own US marketing force to give the Swedish company total control over sales.

In Japan Astra has had for some years a joint venture with Fujisawa, a Japanese drugs company. It supple-mented this last year through buying, via the joint venture. Hoei, another Japanese phar-maceutical business. The deal doubled the number of people in Japan who are marketing Astra's drugs, taking this num-

As for R&D, Mr Mogren recognises that this is a key division for Astra. Some 1,600 of the company's 7,000 employ-ees work in this field, all but 100 of them in Sweden. The company spends 20 per cent of sales on R&D, which is a large proportion even for the highly research intensive pharmaceutical industry.

espite Astra's good research record, he believes the thrust here could be sharper. "We have to do more to set priorities in research. We cannot be good at everything," he says.

Mr Mogren has already wielded his pruning knife in the research field, cutting out work at Astra on AIDS drugs and on some kinds of cancer therapy.

He says that his background in coming to Astra from a marketing-oriented food company was by no means inappropriate for the job he reckons he has to do at Astra, even though coming in without a detailed knowledge of the drugs business was in some senses a disadvantage. Mr Mogren says it took the first six months of his time in his new job to learn the rudiments of the industry.

Even so, Mr Mogren knows he can always compensate for his lack of expertise in the drugs arena by falling back on his scientific background. "I've been through the kindergarten of science; at least I know the alphabet of biology."

Still relatively new to his job, Mr Mogren is wary about making too many forecasts of where he thinks Astra will be in five years' time. But he seems to be enjoying himself. "I'm having fun," he says.
"You can't tax fun."

15th May, 1989

TOYOTA

TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.

U.S.\$200,000,000

101/4 per cent. Bonds 1991

ISSUE PRICE 100.95 PER CENT.

Nomura International

Credit Suisse First Boston Limited Merrill Lynch International Limited Prudential-Bache Capital Funding

Bank of Tokyo Capital Markets Group BNP Capital Markets Limited Deutsche Bank Capital Markets Limited LTCB International Limited Mitsui Trust International Limited **Morgan Stanley International** The Nikko Securities Co., (Europe) Ltd. Sanwa International Limited Shearson Lehman Hutton International **UBS Phillips & Drew Securities Limited**

Daiwa Europe Limited Mitsui Finance International Limited Tokai International Limited

Bankers Trust International Limited Chase Investment Bank KOKUSAI Europe Limited Mitsubishi Trust International Limited J.P. Morgan Securities Ltd. **NatWest Capital Markets Limited** Nippon Kangyo Kakumaru (Europe) Limited Sanyo International Limited Swiss Bank Corporation S.G. Warburg Securities

Yamaichi International (Europe) Limited

Canadian Pacific Limited

pany employe

anadian Pacific Limited had net income for the first three months of 1989 of \$134.1 million or 42 cents per Ordinary share, compared with \$183.9 million or 61 cents per share in the corresponding period last year. Consolidated revenues, after elimination of inter-company transactions, were \$2,691.7 million in the first quarter of 1989 compared with \$2,959.1 million in the first quarter of 1988.

The first quarter results reflect mainly reduced volume of railway traffic, especially grain as a result of the severe drought in Western Canada last year, and lower income from forest products as a result of lower demand for newsprint and the increase in the value of the Canadian dollar compared with other major currencies.

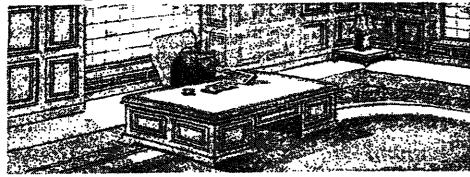
Earnings from AMCA International Limited improved as a result of increased activity and strong order backlogs in all of its divisions. Improved earnings from real estate operations included higher land sales.

| Consolidated Income (unaudited) | | | | |
|--------------------------------------|------------------|------------------|--|--|
| | 1st Quarter 1989 | 1st Quarter 1968 | | |
| Transportation and Waste Services | \$ 25.9 | \$ 81.7 | | |
| Energy | 36.3 | 30.0 | | |
| Forest Products | 51.9 | 59.0 | | |
| Real Estate and Hotels | 14.7 | 11.0 | | |
| Telecommunications and Manufacturing | 5.3 | (4.9) | | |
| Discontinued Businesses | | 7.1 | | |
| Net income | \$ 134.1 | \$ 183.9 | | |
| Earnings per Ordinary share | \$ 0.42 | \$ 0.61 | | |

Although Canadian Pacific continues to anticipate good earnings in 1989, they are unlikely to reach the levels of 1988. There has been some erosion in non-grain rail traffic due to business conditions, newsprint markets are expected to remain highly competitive, and the stronger Canadian dollar has had a negative impact on profits. However, it now appears that average oil prices will be higher than in 1988, grain traffic should return to normal in the fourth quarter, and pulp markets should remain tight for the balance of the year.

of more information, please write to, Denis Keast, Lirector, Financial Services, Canadian Featile: Limited, 62-65, fratalisar Source, Lipedon WC2N 50Y

EVERYTHING YOU NEED TO GET **EVEN MORE SALES FROM YOUR** SALES FORCE.



"Get me all the info. on 'the event' Miss Wolstenholme, I smell new money

sales force.

Maximum sales force efficiency means maximum impact on the bottom line. So it makes sense to arm yourself (and your sales force) with all the most effective, up to date

Everything you need to know - under one roof.

"the event" is the UK's leading exhibition for

Sales Directors and everyone in sales management.

perhaps more importantly, save your company

THE UK'S LEADING EXHIBITION AIMED AT IMPROVING YOUR SALES FORCE, JUNE 27-29 WEMBLEY.

INTERNATIONAL COMPANIES AND FINANCE

Mutual struggle for new identity

Barry Riley on the shake-up at UK unit trust group NM Schroder

VER since National investment business would be Mutual Life Association enhanced if it became part of an organisation that was prithe life assurance and unit-trust business of Schroders, the City merchant bank, it has been struggling to justify the 199m (\$164m) deal. By the same token, for

Schroders the decision to sell turns out to have been shrewdly timed. The troubled unit trust industry is faced with widespread rationalisa-tion and cuts, and last week NM Schroder, as the business is now temporarily known, announced its restructuring. It is making drastic staff cuts and closing offices at Poole in south-west England and London in an attempt to achieve a more streamlined and efficient structure. The cutbacks announced last week at NM Schroder are likely to be

The original deal was done because Schroders wanted to bolster its capital base at the time of Big Bang, the restruct-uring of the stock market in October 1986. The bank also argued that the long-term development of the retail

emulated elsewhere in the sec-

an organisation that was pri-marily involved in the retail savings market.

National Mutual, for its part, wanted to expand in a new and larger market-place, being severely limited in the domes-tic Australian market, where it is the second largest life office. Until 1986, National Mutual only operated a small traditional life business in the UK, and sought an entry into the much more buoyant unit-linked area. NM Schroder is the 15th largest UK unit trust group, with some £730m under management at the end of 1988. From the beginning, how-ever, National Mutual faced a serious identity crisis. It nego-tlated the use of the NM Schroder name in the retail

this year - but it cannot use the National Mutual name because of a clash with a UK Consequently, it faces being left with the distinctly anonymous title of NM.

market up to the beginning of

1990 - a period subsequently brought forward to October

from abandoning the unit trust business, as it hinted at the time of the deal, has shown itself anxious to move back into the market. It has continued to promote certain wholesale-market unit trusts and pension plans, and it will relaunch the Schroder name in the retail market in October. The result could be confusion

selves.

There has already been transitional confusion over the investment management of the various funds involved.

Some of them have been handed over by Schroders to the care of National Mutual's managers, but others will stay with Schroders until next year. The biggest blow to National Mutual, however, was undoubtedly the October 1987 stock market crash Less than a year after the deal with Schroders was completed it faced a collapse of the unit trust market, and a general increase in competition. The

task of justifying the £99m pur-chase price was made immeasurably harder. Moreover, Schroders, far Even during the bull market

the business had apparently been no more than modestly profitable. Schroders' life and unit trust operations had only contributed £700,000 to the group's disclosed profits after tax in 1985. There have been internal

management difficulties, too. Last summer there were pric-ing errors in several offshore sub-funds based in Guernsey, and intermediaries took advanamong both professional inter-mediaries and investors themtage of opportunities to switch from one to another at a guar-

anteed profit. That imposed losses on remaining investors, and NM Schroder felt obliged to make good these shortfalls at considerable and the shortfalls are shortfalls. good these shortials at consilerable cost. In November last year, 38 staff in Guernsey were sacked, although it was denied that there was a direct connection with the pricing errors.

On Thursday NM Schroder put a brave face on events. Mr

Robert Taylor, the managing director, claimed that the changes being implemented as a result of the organisation review would enable the com-pany to react swiftly and posi-

tively to market changes while maintaining competitive pric-

copper and zinc in British Columbia, owns half of the rich

David Bell gold mine in north-ern Ontario and 20 per cent of

Cominco, the country's largest

lead-zinc producer in partner-

ship with Metallgesellschaft and others.

Teck and partner Corona

expect the Supreme Court of Canada's decision on the own-

ership of the Page Williams

gold mine in Northern Ontario

to be handed down by the end of next month. Lac Minerals is

the contestant for ownership.

Finsiel plans link with Soviet Union

By John Wyles in Rome

ITALY'S Finsiel, the second largest software company in largest software company in Europe, is planning a number of international partnerships, including one with the Soviet Union, in the coming months, after a strong increase in both profits and employment in 1982

Both revenues and net profits rose by about 22 per cent on 1987, reaching L699bu (\$502m) and L21.6bn respec-

The state-owned company, which is part of the Iri group, claims that, at 5.5 per cent, its profits as a proportion of sales are now well above the Euro-pean average for the industry of 2.5 per cent and quite dis-tant from the 1.5 per cent average of its competitors in

Professor Alessandro Alber igi Quaranta, Finsiel's chairman, said last year's 24 per cent growth in the Italian market for software was well above trends elsewhere in Europe and the US. However, he regretted that

the country remained relatively backward in computer-aided software engineering, which took a substantial share of the 7 per cent of sales Finsiel spent on research and development last year.

Outlining the company's international strategy, Mr Vit-torio Slavati, managing director, said some foreign companies had been identified as targets either for acquisition or for marketing and production partnerships.

Finsiel was expecting "a major agreement" to follow the visit to Rome later in the month of a 14-strong Soviet delegation led by the Minister for Informatics, Mr A.V. Mak-

He refused to go into details but envisaged an accord which would sell both Finsiel prod-ucts and training and other services in the Soviet Union, es well as offering the possibility of Finsiel involvement in a consortium of Italian companies to build software production plants for the Soviet

Although Finsiel increased its employment by 18 per cent to 4,500 last year, Mr Alberigi Quaranta said the shortage of qualified graduates in Italy was becoming "dramatic".

The company was deliberating over locating its produc-tion centres in the south of the country because the difficulties of recruitment there were slightly less serious than they were in the north.

US DOL 200,080,000 FLOATING RATE

Notice is hereby given to the holders of the above mentioned notes, that Credit Lyonnais will proceed on June 16, 1989 to the early redemption of the amount of US DOL 150,000,000. The notes to be redeemed have been drawn by for and bear the following serial numbers:

2421 to 17420 (these numbers inclusive) (i.e. 15,000 notes of US DOL 10,000 each)

CLUBS

ART GALLERIES EGER,13.Old Bond St.,W1.01-629 3538 .BRJTISM PAUNTING.Mon-Fri 9.30-5.30

INTERNATIONAL

COURIER &

EXPRESS

SERVICES

Quebec seeks to control financial planners

QUEBEC, a leader in the deregulation of financial services since 1980, is taking steps to control financial planners and will widen the business powers of insurance brokers.

The provincial government has tabled legislation for requiring individuals offering financial planning services to obtain a diploma from a recog-nised institution and follow a strict code of ethics.

regulate financial planners, loans. Those in the property wants the new legislation and casualty field can act on

passed next month. The rules would allow stockbrokers to be The Canadian Association of Financial Planners, which has 1,400 members, including 200 in Quebec, said the move would

provide standards, protect con-sumers and increase competi-Insurance brokers will be able to sell savings bonds. accept savings deposits, sell

health may act for only one. Teck, the big Canadian gold and base metals group, is flush with cash and is looking for acquisitions to balance the metals industry cycle, says Mr Norman Keevil, president.

behalf of several institutions, while those handling life and

Teck's first quarter earnings were C\$25.4m (U\$\$21.5m), or 31 cents a share, double the level a year earlier. Last year, its earnings nearly trebled to

Teck, besides mining coal,

CAE Industries profit jumps 59%

By Robert Gibbens.

CAE Industries, which bought the US Singer Company's Link military alteraft simulator division last year for US\$560m, reported a 59 per cent jump in net profit to C\$43.7m (US\$37m), or 56 cents a share, in the year to March 3, up from C\$27.1m,

or 35 cents a year earlier. Revenues soared to C\$838m from G\$382m, mainly because of the inclusion of Link CAE has won a C\$58m contract for a the West German air force. This is expected to be the pre-lude to a C\$360m order from West Germany for upgrading

its Tornado simulator programme.

Two Japanese groups and a

Brazilian metals company are joining a Quebec government agency on a study of a 80,000 tonnes-a-year ferrochrome plant near Montreal. The partners are Mitsui and

Showa Denko of Japan, CAEMI of Brazil and the SGF, the Quebec industrial development: agency. Capital cost would be C\$125m and a decision on it will be made later this year. A German metals group originally in the partnership has

COMPANY NOTICES

OUTOKUMPU OY NOTICE to the holders of Outokumpu Oy USS 30,000,000 9% Bonds due 1991

NOTICE IS HEREBY GIVEN that at the Meeting of the holders (the the above-mentioned bonds ("the Bonds") convened by Outokumps O) held at 9.00 a.m. on Friday 10th March 1989 at the undermentioned Cinetale du Luxembourg S.A. ("the Fiscal Agest"), the Extraordinary to in the notice convening the above mentioned meeting was adopted.

The Fiscal Agent: BANQUE GENERALE DU LUXEMBOURG S.A., 14, rue Aldringen, L-2951 Lexambourg

OUTOKUMPU OY NOTICE ers of Out

The Fiscal Agent : BANQUE GENERALE DU LUXEMBOURG S.A.

Dated 16th May, 1989



Union Bank of Finland Ltd.

US\$ 100,000,000 Floating Rate Subordinated Notes due 2034

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from May 15, 1989 to November 15, 1989 the Notes will carry an interest rate of 10/4 % p.a.

The interest payable on the relevant interest payment date, November 15,1989 against coupon no 10 will be US\$ 523.89 per Note.

The Reference Agent KREDIETBANK S.A. LUXEMBOURGEOISE

The Financial Times proposes to publish this survey

JULY 19 1989

For a full editorial synopsis and idvertisement details, please contact;

> NEVILLE WOODCOCK on 01-873 3365

or write to him at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES



You'll find all the products and services you

Fill in and return the coupon for your pre

This will save you time on the day, and,

need to ensure you get the best out of your

ke it Sales Solutions' "the event".

registration to the exhibition today.

A powerful resource for industry worldwide.

Giving your business a technological edge in the quickening pace of the world's markets could be the difference between failure

AEA Technology can help to develop that leading edge by providing internationally proven R&D expertise, advanced engineering and specialist technical services designed for industry and commerce.

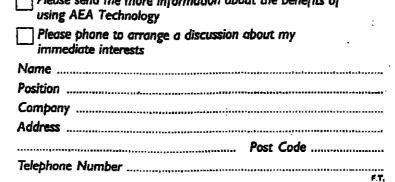
Many of the world's foremost companies have recognised the commercial advantages that AEA Technology can bring to a wide range of markets: Aerospace, Defence, Process Industry, Oil & Gas, Manufacturing, Electricity Supply, Safety and Reliability.

To put AEA Technology into action for you call Stephen Curi on Freephone 0800-581364 or return the coupon:

| | Corporate Business Development, AEA Technology, Didcot, Oxfordshire, OX11 ORA. |
|---|--|
| | Please send me more information about the benefits of using AEA Technology |
| | Please phone to arrange a discussion about my immediate interests |
| ı | Name |
| 1 | Position |
| | Company |
| | Address |
| | Post Code |
| - | Telephone Number |
| | ET, |

Corporate Business Development, AEA Technology, Didcot, Oxfordshire, OX11 ORA. Tel: 0235-432138.

AEA TECHNOLOGY



INTERNATIONAL COMPANIES AND FINANCE

take over HK finance company

By John Elliott in Hong Kong

Piel

INCHCAPE PACIFIC, the Hong Kong-based regional organisa-tion of Inchcape of the UK, has joined with Security Pacific Financial Services of the US to take over InchRoy Credit Corporation, a medium-sized Hong Kong consumer finance com-

They have bought a 70 per cent interest in the company from Royal Bank of Canada which is rationalising its activities. Inchcape already has a 30 per cent stake in InchRoy and goes up to 50 per cent, while Security Pacific is taking the

This is part of an expansion in several Asian countries including Vietnam, South Korea, Taiwan and Japan announced in Hong Kong by Mr George Turnbull, Inchcape

He said the deal did not indicate that Inchcape was launching itself into financial services. InchRoy was a "non-strategic investment" linked with the company's other activities and would make a "considerable amount

Established in 1973 as a joint venture between the Royal Bank and Inchcape to finance Inchcape's car sales, the com-pany has current loans outstanding of around HK\$1bn (US\$128.2m), about half of which are linked to Incheape's

Profits were HK\$48m in 1988, up from HK\$30m in 1987. After further substantial growth expected this year, the deal is likely to boost Inchcape Pacific's annual profits (HK\$568m last year) by about HK\$30m to HK\$40m.

Inchcape Pacific is moving

into Vietnam with an office in Hanoi to explore trading activities at a time when the country is beginning to open up its economy to foreign businesses. It is particularly interested in

textiles and garment exports.

It is also planning to open or expand motor and business machine sales operations in Taiwan, Korea and Japan.

Paliburg gains 31% in property sector surge...

in Hong Kong

PALIBURG INVESTMENTS, Hong Kong-listed unit of Mr Lo Yuk Sui's Century City group, has reported a 31 per cent increase in after-tax profits to HK\$180m (US\$23.1m) for last year, buoyed by rising prices in the local property sector and a strong performance from the Regal Hotels group. Extraordinary credits worth

HK\$21.4m boosted attributable profits to HK\$201.4m.

During the year Paliburg made steady sales of units in its residential developments, while retaining a number of completed properties for investment purposes.

Growth in earnings is fore-

cast to accelerate over the next two years, as construction projects are completed on sites acquired at relatively low

Incheape to News Corp increases profit 8.9%

By Chris Sherwell in Sydney

THE SHARE price of News Corporation, Mr Rupert Murdoch's international media group, surged higher on a strong Australian stock market yesterday, ahead of third-quar-ter results showing a contin-ued improvement in trading profit and large extraordinary

In Sydney, News's shares fin-ished at A\$13.70, up 45 cents, to take the rise over the past four trading days to A\$1.30. Since the end of 1988 they have

climbed almost A\$4.
The latest increase follows this month's sale to Reed International of News's worldwide travel and electronic publish-

SOUTH AFRICAN Breweries.

(SAB), the diversified brewing

and consumer products group, increased sales at a greater

rate than the overall national

growth in consumer spending during its past financial year and is planning further fixed

investment this year. However, consumer spending is expected to be severely inhibited, writes

Jim Jones in Johannesburg. Turnover increased to

R10.60bn (\$4.08bn) in the year

to March from the previous year's R8.68bn; the trading

profit before financing costs

and tax rose to R1.02bn from R746m; and the pre-tax profit

was R343m against R536m.

The group is benefiting from market changes that are

accompanying growing black urbanisation. Black South Afri-

cans are switching away from

traditional beverages towards mait beer and, in the process, lifting SAB's beer sales at a far

greater rate than the growth in other alcoholic drinks. Mr Meyer Kahn, managing director, says beer sales vol-

umes rose by 9.5 per cent in

SAB lifts turnover

as beer sales rise

ing businesses for US\$825m. ious figure of A\$286.7m. significantly higher than market expectations and way ahead of the sum Mr Murdoch originally paid.

The transaction suggested a possible undervaluation of News's assets and pointed to a further reduction in News's still burdensome debt which. according to yesterday's figures, demanded interest payments of A\$688m (US\$502.2m) in the first nine months, up

from A\$452m previously. Those results, on an equity-accounted basis and after income tax, showed a profit figure of A\$312.1m, up just 8.9 per cent on the prev-

Mr Kahn says SAB intends

increasing its fixed investment by Ribn this year, equivalent to almost four times last year's

depreciation and representing an increase of one quarter on

the operating assets and investments carried in the bal-

ance sheet at the end of March.

In February SAB acquired Da Gama Textiles, Tootal's

local interest, when the British textiles company divested. SAB will account it as a subsidiary

SAB's net earnings were 187.2 cents a share against the

previous year's 146.5 cents and

ased to 84 from 66 cents.

including extraordinary gains, which soared to A\$155m from A\$14m previously, the group's bottom-line profit was A\$467m, up 55.4 per cent on the

previous A\$300.5m.

According to a more detailed breakdown, News achieved a profit on trading operations before interest of A\$982m, up 38.5 per cent, on a turnover of A\$5.5bn, up 24.8 per cent.
After taking into account the higher interest payments net of dividends received, the pretax profit figure was reduced to

A\$373.6m, compared with

A\$278m previously.

The detailed figures also

showed News's overall performance in the UK to be comparatively weak. Losses from The Times and Today continued to fall, and trading profit rose to A\$270m from A\$255m, but turnover remained static at

By contrast, trading profit in Australia and Hong Kong almost doubled to A\$301m from A\$162m on a turnover of A\$1.76bn, up from A\$1.2bn. In the US, where the figures included the five-month results from Triangle Publications for the first time, trading profit increased to A\$410m from A\$2.55bn, up from A\$2bn.

Nampak up 25%, but sees slowdown

the year and beer's comiribu-tion to group earnings increased by 28 per cent against 30 per cent for the non-beer interests. NAMPAK, THE South African packaging company, lifted its interim sales and profits by a quarter during the six months to March, but believes the However, beer sales are not expected to be affected by austerity measures recently imposed by the Government, while analysts believe this year's sales of consumer durables could be sharply lower than those for last year.

Mr Kahn says SAB intends growth rate will slow considerably in the current half-year,

writes Jim Jones. Interim turnover rose to R1.48bn (\$569.8m) from R1.21bn and pre-tax profit was R162.0m against

Mr David Brown, chairman. says customers are showing signs of de-stocking in response to reduced consumer spending and higher interest rates. He still expects real sales and profit growth in the second half.

Net earnings rose to 212 cents a share from 163 cents and the interim dividend has

Nampak is controlled by Barlow Rand, the industrial and mining group.

• Afrox, South African offshoot of the UK's BOC Group, expanded production of industrial gases and diversified forther to lift turnover 29 per cent to R346m in the six months to March. Pre-tax profit was R67.6m against

Facilities in the gas division were expanded and a new pri-vate hospital added to the company's medical care inter-

Net earnings rose to 86.7 cents a share from 60 cents and the interim dividend has been increased to 40 cents from 30 cents.

Kleinwort loses battle over letters of comfort

By Raymond Hughes, Law Courts Correspondent

KLEINWORT BENSON, the UK merchant bank, has been refused leave to make a final appeal to the House of Lords in a case about letters of comfort issued to it as part of a loan agreement.

The Law Lords' appeals com mittee has rejected the bank's petition for leave to challenge a Court of Appeal ruling in

The appeal court, reversing a decision of the High Court, held that letters of comfort given by Malaysia Mining Corgiven by Malaysia Mining Cor-poration as part of an agree-ment for a bank loan to its subsidiary, MMC Metals, were not legally binding. Mr Ian Terry, of Freshfields, MMC's firm of solicitors, said those in the commercial com-

munity who had given letters of comfort would be relieved that the ruling would now stand as a binding prece Wong Sulong adds from Kuala Lumpur: In a statement to the Kuala Lumpur Stock Exchange, MMC said the £13.9m (US\$23.1m) in question would be included in its accounts for the current year. MMC Metals went into liquidation following the tin market crash in late

● MMC is also to sell to Permodalan Nasional, its parent, 20m shares in Sime Darby for 100m ringgit (\$37.1m). This reduces MMC's stake in Sime to 11.7 per cent from 13.7 per

The Export-Import Bank of Korea US\$100,000.000

Floating Rate Notes Due 1995

In accordance with the provisions of the Floating Rate Notes, notice is hereby given as follows:

Interest Period: May 15, 1989 to

Rate of interest: 101/4% p.a.

Coupon Amount: US\$523.89(per note of US\$10.000) US\$26,194,44 (per note of



LTCB Asia Limited



registered at No. 4424 of the Companies Registry of the Court of Treviso

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31ST DECEMBER 1988

Notice is hereby given that Benetton Group's consolidated financial statements as of 31st December 1988, audited by Arthur Andersen & Co. S.a.s. may be obtained upon request from:

the Company or

any of the Italian Stock Exchanges.

SA furniture suppliers hit by tighter credit controls

SOUTH AFRICAN furniture suppliers have been knocked by tighter credit controls and higher interest rates in the sec-ond half of the year to March.

However, Associated Furni-ture (Afcol), a leading manu-facturer, has welcomed the Government's decision not to extend to locally made furniture the additional, stringent hire-purchase conditions it has just imposed on imported prod-

Analysts expect this will give local manufacturers a valuable marketing edge at a time when consumer spending on durables is being crimped by tighter household budgets. Amrel, a furniture retailer which, like Afcol, is part of the South African Breweries group, is pessimistic about trading prospects. The earlier curbs and interest rate increases, introduced after last

October's municipal elections, severely depressed the company's furniture sales. Afcol's turnover increased to R567m (\$218.8m) from R510m and the pre-tax profit —
affected by a doubling of the
interest bill — was R43.5m
against R43.4m. At operating

NOTICE TO HOLDERS

IU INTERNATIONAL CAPITAL

CORPORATION

(as successor to IU International Capital Corporation N.V.)

U.S.\$85,000,000 Retractable Floating Rate Notes due 1992

NOTICE IS HEREBY GIVEN that in accordance with the Conditions of the above described Notes ("the

Notes"), the holder of any Note may elect to have the Note redeemed by IU international Capital Corporation on 31st July, 1989, at 100 per cent of its principal amount. Such election shall be irrevocable

level, before dividend income and interest and tax payments, profits rose to R48.2m from

R43.1m.

Despite the advantage implicit in the new hire purchase regulations, the directors warn that sales growth will be blunted this year by high interest rates and low growth in private consumption

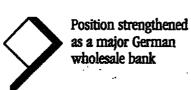
Net earnings were 170 cents a share against 144.8 cents and the total dividend was raised to 85 cents from 72.5 cents. The directors hope to match the earnings level this year.

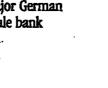
At Amrel, which is also involved in footwear and apparel retailing, turnover rose 9 per cent to R760m while pretax profit increased 2 per cent to R37.5m. Mr Meyer Kahn, chairman, says steadily rising mortgage and interest rates crimped disposable incomes.

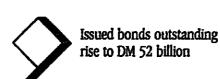
Sales of footwear and clothing were comparatively buoy-ant, but he adds it will be difficult to match the past year's earnings this year.

Net earnings increased to 241 cents a share from 231 cents and the year's dividend has been raised to 81 cents from 77

Bayerische Landesbank off to a promising start after another good year in 1988.



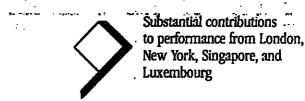


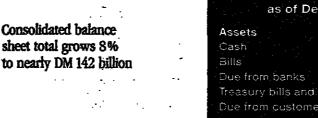




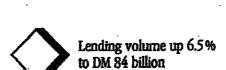
4.686.0

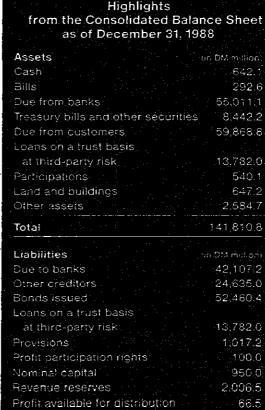
141,810.8

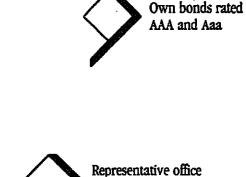












opened in Tokyo



Representative office opening in Paris planned for 1989

and must be made by completion in full of the "Option to Elect Retraction" appearing on the reverse of each Note. Such Notes together with all unmatured coupons appertaining thereto must be deposited not more than 60 nor less than 30 days prior to 31st July, 1989 at the offices of any of the Paying Agents set Orion Royal Bank Limited, 71 Queen Victoria Street,

London EC4V 4DE,

Banque Générale du Luxembourg S.A., 14 Rue Aldringen L-2951 Luxembourg

The Royal Bank of Canada (France) S.A., 3 Rue Scribe, 75440 Paris,

France

The Royal Bank of Canada (Belglum) S.A. Rue de Ligne 1

Belgium The Royal Bank of Canada (Suisse), Rue Diday 6, 1204 Geneva

B-1000 Brus

Switzerland The Royal Bank of Canada A.G., Gutteutstrasse 85 D 6000 Frankfurt/Main 1

Federal Republic of Germany DATED: LONDON, 16th MAY, 1989 IU INTERNATIONAL CAPITAL CORPORATION by:



ORION ROYAL BANK LIMITED A member of The Royal Bank of Canada Group

PRINCIPAL PAYING AGENT

A member of The Securities Association

Bayerische Landesbank

Other liabilities

Head Office: Brienner Strasse 20, D-8000 München 2, West Germany, Tel.: (89) 2171-01, Telefax: (89) 2171-3579. Branches: London, Tel.: 726-6022; New York, Tel.: 310-9800; Singapore, Tel.: 2226925. Subsidiary: Bayerische Landesbank International S.A., Luxembourg, Tel.: 4759 11-1. Representative Offices: Tokyo, Tel.: 287-0135; Toronto, Tel.: 862-8840; Vienna, Tel.: 535 3141; Johannesburg, Tel.: 8387168.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, May 15, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rate except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. D-MARK YEN

| COUNTRY | | £ STG | us \$ | D-MARK | OX TOO) AEN | COUNTRY | | 7 21Ê | u2 \$ | D-MARK | CX 100) | COUNTRY | | F 216 | 03 3 | L-MARK | OX 1000 |
|--|---|--|---|--|--|---|---|--------------------------------------|---|--|--|---|---|--|--|--|---|
| Afghanistan Albania Algeria | (Afgnani) (Lek) (Dinar) | 99 25 9.9707 11.9569 | 60.5367 6.0815 7.2930 | 31.1616 3.1305 3.7541 | 44.1111 4.4314 5.3141 | Grenada Guada loupe | anish Kronel (E Carr SI (Local Fr) (US SI | 4.4361 10 7600 | 7.5602 2.7057 6.5629 | 3.8916 1.3928 3.3783 0.5147 | 5.5088 1.9716 4.7822 0.7286 | Peru | | 4079,07a 35.50 | 21.6529 | 1280.7127 11.1459 | 15,7777 |
| Andorra | (Fr Fr) (Sp Peseta) | 10.7600 198.25 | 6 5629 120.9210 | 3.3793 62.2448 | 4.7822 88 1111 | Guant Guatemala | (Quetzal) | | 2.7549 | 1.4181 | 2.0074 | Pitcalm Is (| £ Sterling) (NZ \$) | 1.00 2.6905 | 0.6999 1.6410 | 0.3139 0.8447 | 0:4444 1:1957 |
| Angola Antigua Argentina Aruba | (Kwanza) (E Carr \$) (Austral) (Florin) | 4 4361 181.74 | 31.0170 2.7057 110.8508 | 15.9662 1.3928 57.0612 0.9233 | 22.6011 1.9716 80.7733 1.3071 | Guipea Guinea-Bissa Guyana | (Fr) u (Peso) (Guyanese S) | 492.90 1067.95 49.14 | 300.6404 651.3876 29.9725 | 154.7566 335.3061 15.4285 | 219.0666 474.6444 21.8400 | Poland Portugal Paerto Rico | (Zioty) (Escudo) (US S) | 1195.29 262.80 1.6395 | 729.8576 160.2927 1 | 375.2872 82.5117 0.3147 | 531,2400 116,8000 0.7286 |
| Australia Aostria | (Aus S) (Schilling) ort Escudo) | 2.1055 22.405 | 1.7938 1.2842 13.6657 160.2927 | 0.6610 7.0345 82.5117 | 0.9357 9.9577 116.8000 | Haiti Honduras Hong Kong | (Goude) (Lempira) (HK S) | 8.2150 3.2790 12.7425 | 5.0106 2 7.7721 | 2.5792 1.0295 4 | 3.6511 1.4573 5.6633 | Qatar Respios is, de i Romania | a (F/Ft) | 5.9657 10.7600 14.781 | 3.6387 6.5629 9.0149 | 1.8730 3.3783 4.6405 41.7111 | 2.6514 4.7822 6.5688 59.0444 |
| Bahamas Bahrain Balearic is Barigiadest Barbados | (Taka) | 0.6179 | 1 0.3768 120.9210 31.7169 2.0156 | 0.5147 0.1940 62.2448 16.3265 1.0375 | 0.7286 0.2746 88.1111 23.1111 1.4687 | Hungary Iceland (Iceland) India (Indiana) | (Forint) andic Krona) ndian Rupee) (Ruplah) | 101.9125 90.88 27.00 | 62.1607 55.4315 16.4684 1787 9231 | 31.9976 28.5337 8.4772 920.3453 | 45,2944 40:3911 12 1302,8000 | Rwanda St Christopher St Helena | | 132.85 4 4361 1.00 | 81.0308 2.7057 0.6099 2.7057 | 41.7111 1.3928 0.3139 1.3928 | 59.0444 1.9716 0.4444 1.9716 |
| Eelgium | (Seig Fr) | | 40.5916 40.8051 | 20.8948 21.0047 | 29.5777 29.7333 | - Iran | (RJai) (Iraqi Dinar) (Punt) | 120.00 | 1787 9231 73.1930 0.3150 0.7258 | 37.6766 0.1621 0.3736 | 53:3333 0.2296 0.5288 | I St Vincent | French Fr) (E Carr S) | 4.4361 10.7600 4.4361 2313.25 | 6.5629 2.7057 1410.9484 | 3.3783 1.3928 726.2951 52.6709 | 4.7822 1.9716 1028,1111 |
| Belize Benin Bermuda (Be Bhotan | (BS) (CFA Fr) (Syltrum) | 3.2860 538.00 1 6395 27.00 | 2.0042 328.1488 | 1.0317 168.9167 0.5147 8.4772 | 1 4604 239.1111 0.7286 12 | Israel Italy Ivory Coast | (Shekel) | 3.09 2313.25 | 1410.9484 328.1488 | A 0761 | 1.3733 1028.1111 239.1111 | San Marino (it Sao Tome Saudi Arabia Senegal Seychelles | (Dobra) (Riya) (CFA Fr) (Rispee) | 167.7569 6.1450 | 102.3219 3.7480 328.1488 5.9469 | 52.6709 1.9293 168.9167 3.0612 | 74.5586 2.7311 239.1111 4.3333 |
| Bolivia Bolswana Brazil British Virgin | (Boliviano) (Pula) (Cruzado) Is (US S) | 4.2225 3.4725 1.7912 1.6395 | 16.4684 2.5754 2.1180 1.0925 | 1.3257 1.0902 0.5623 0.5147 | 1.8766 1.5433 0.7960 0.7286 | Japan Jordan Gord | Jamaican 51 (Yen) anian Dinar) | 225.00 0.8733 | 5 4223 137.2369 0.5326 | 2.7912 70.6436 0.2741 | 3.9511 100 0.3881 | Sierra Leone Singapore Solomon is Somali Rep | (Leone) (S) (S) (Sh))(Ing) | 103.195 3.2143 3.733 | 62,9429 1,9605 2,2769 223,2387 | 32,4003 1,9091 1,1720 1,14,9136 | 45.8644 1.4285 1.6591 162.6666 |
| Brutiei Bulgaria Burkino Faso | (Brinel \$) (Lev) (CFA Fr) | 1.4405 | 1.9605 0 9786 328.1488 | 1.0091 0.4522 168.9167 | 1.4285 0.6402 239.1111 | Kampuchea Kenya (Ke Kiribati (| (Riel) (tya Shilling) (\$ nsiralian | 32.60 | 100 19.8841 1.2842 | 51.4756 10.2354 0.6610 | 72.8666 14.4888 0.9357 | South Africa | (Rand) | | 2.6620 4.0905 | 1.3703 2.1056 | 1.9397 2.9806 |
| Borma | (Kyat) Burundi Fr) | 11 3484 262 95 | 6.9218 160.3842 | 3.5630 82.55 <u>8</u> 8 | 5.0437 116.8666 | Korea North Korea South Kuwait (Ku | (Won) | 1.5937 1104.08 | 0.9720 673.4248 0.2920 | 0.5903 346 6499 0.1503 | 0.7083 490.7022 0.2128 | Spain Spanish Ports I N Africa | | 198.25 198.25 | 128.9219 120.9210 35.3766 | 62.2448 | 887777 - 887 <u>777</u> |
| Canary is | (CFA Fr) Canadian SJ (Sp Peseta) (CV Escudo) (CI SJ (CFA Fr) (CFA Fr) | | 328.1488 1.1906 120.9210 78.6074 0.8317 328.1488 328.1488 | 168.9167 0.6128 62.2448 40.4637 0.4281 168.9167 | 239.1111 0.8675 88.1111 57.2786 0.6060 239.1111 239.1111 | Lesotho Liberla | (New Kip) (Lebanese S) (Maiuti) (Liberian S) (byan Dinar) (Swiss Fr) | 839.10 4.3645 1.6395 0.4932 | 430.9179 511.8023 2.6620 1 0.3008 1.7383 | 221.8178 263.4536 1.3703 0.5147 0.1548 0.8948 | 313.9955 372.9333 1.9397 0.7286 9.2192 1.2666 | Sri Lanka Sudan Rep Sur]nam Swaziland (Sweden Switzerland | (Rupee) (£) (Gullder) (Lilangent) (Krona) (Fr) | 58 00 7.3935 2.9328 4.3645 10.7425 2.8500 | 35,3766 4,5096 1,7888 2,6620 6,5523 1,7383 21,9448 | 18.2103 2.3213 8.9208 1.3703 3.3728 0.8948 10.8329 | 88.1111 25.7777 3.2860 1.3034 1.9397 4.7744 1.2666 15.3346 |
| Chile (Cl China (Renr Colombia Comoro is Congo (Brazz) | nican Peso) nichi Yuan) (Col Peso) (CFA Fr) I (CFA Fr) | 419 02 6.2363 605.68 538.00 538.00 | 255.5779 3.8037 369.4297 328.1488 328.1488 | 168.9167 131.5604 1.9580 190.1664 168.9167 | 186.2311 2.7716 269.1911 239.1111 239.1111 | Luxembourg Macao Madeira G Malagasy Re | (Pataca) (Pataca) (Port Escudo) (MG Fr) | 66.65 13.2142 262.80 2469.0 | 40.6526 8.0598 160.2927 1505.9469 | 20.9262 4.1488 82.5117 775.1962 | 29.6222 5.8729 116.8000 1097.3333 | Sgria Talwan Tanzapia Thalland Togo Rep | (\$) (Shilling) (Balmi (CFA Fr) | 42,35 227,20 43,50 538.00 | 25,8310 138,5788 26,5324 328,1488 1,2842 4,2591 | 13.2967 71.3343 13.6577 168.9167 0.6610 | 18.8222 100.9777 19.3333 239.1111 |
| Costa Rica Cuba ((Cyprus Czechoslovaki | (Colon) Cuban Peso) (Cyprus £) a (Koruna) | 1.2513 0.8150 | 80.8722 0.7632 0.4971 15.5474 10.0762 | 41.6295 0.3928 0.2558 8.0031 5.1868 | 58,9289 0.5561 0.3622 11.3288 7.3422 7.3422 | Malawi Malaysia Maldive is Mail Rep Maila | (Kwacha) (Ringgit) (Runya) (CFA Fr) (Maltese £) | 4.4160 13.8176 538.00 0.57 | 2.7203 2.6935 8.4279 328.1488 0.3476 | 1.4003 1.3864 4.3383 168.9167 0.1789 | 1.9822 1.9626 6.1411 239.1111 0.2533 | Tonga is Tripidad/Tobas Tunisia Turkey Turks & Calcos | (Live) (Class) | 1.6062 3415.35 1.6395 | 4.2591 0.9796 2083.1655 1 1.2842 | 2.1924 0.5043 1072.3233 0.5147 | 0,9357 3.1034 0.7138 1517,9333 0.7286 |
| | - | 16.52t | 10.0762 | 5 1868 | | Martinique Mauritania Mauritius (i | (Local Fr) (Ougulya) Maur Rupee) | 10.7600 123.225 24.655 | 6.5629 75.1601 15.0381 | 3.3783 38.6891 7.7409 | 4.7822 54.7666 10.9577 | 1 | stralian \$) w Shiling) | 2.1055 335.3614 | 204.5510 | 0.6618 105.2940 | Q.9357 149.0495 |
| Denmark (Dar Djibout) Rep Dominica Dominican Re | (E Curib S) | 4.4361 | 7 5602 182,9826 2,7057 5,4236 | 3.8916 94.1915 1.3928 3.3066 | 5.5088 133.3333 1 9716 4.6807 | Mexico (M Miquelon Monaco | (Local Fr) (French Fr) | 4015.96a 3943.20d 10.7600 | 2449.5028 2405.1235 6.5629 | 1260.8979 1238.0533 3.3783 | 1784.8711 1752.5333 4.7822 | U A E United Kingdor United States Uruguay USSR | (US \$) (Peso) | 6.0178 1.00 1.6395 892.71 1.0605 | 3.6705 0.6099 1 544.5013 0.6468 | 1.8894 0.3139 0.5147 280.2857 0.3329 | 2.6745 0.4444 0.7286 396.7600 0.4713 |
| Ecuador | (Sucre) | 748.436 901 73a | 456.4989 550 0030 | 234.9858 283 1177 | 332.6355 400.7688 | Moniserat. | (Tugrik) (E Carr S) (Dirbam) | 5.5131 4.4 361 | 6.5629 3.3626 2.7057 8.3948 | 3 3783 1.7309 1.3928 4 3213 | 4.7822 2.4502 1.9716 6.1170 | Varnatu | | 175.27 2313.25 | 106.9045 1410.9484 | 55.0298 726.2951 | 77.8977 1028.1111 |
| El Salvador Equat'i Guipea | Egyptlan ध (Colon) (CFA Fr) | 4.164 8.1975 538.00 | 2.5397 5 328.1488 | 1.3073 2.5737 168.9167 | 1.8506 3.6433 239.1111 | Mozambique | (Metical) | 1186.49 | 723.6901 2.6620 | 372.5243 1.3703 | 527.3288 1.9397 | Vatican Venezuela | (Bolirar) | | 36.8405 | 18.9638 | 26.8444 |
| Ethiopia (Ethi Falkland is | opian Birr) (Falk 9) | 3.3743 1.00 | 2.0581 0.6099 | 1.0594 0.3139 3.8885 | 1.4996 0.4444 5.5044 | Nepal (Nep Netherlands | lustralian \$) alese Rupeel (Gulider) | 39.432 3.5875 | 1.2842 24.0512 2.1881 1.8038 | 0.6610 12.3805 1.1263 | 0.9357 17.5253 1.5944 | Vietnam Virgin is-Britis | (Dono) | 7393.5 1.6395 | 4509.6065 I | 2321,3500 0.5147 | 3286 0.7286 0.7286 |
| Farne is (Dan Fiji is Finland | (Fiji \$) (Markkæ) | 12_3850 2.4265 7.0960 | 7.5541 1.4800 4.3281 | 0.7618 2.2279 | 1.0784 3.1537 | N'nd Antilles New Zealand Nicaragua | (NZ S) (Cordoba) | 2.6905 11312.0 | 1.6410 | 0.9285 0.8447 3551.6483 | 1,3144 1,1957 5027,5555 | Virğin is-US Western Samoa | (02.20 | 1.6395 | 1 2.2079 | 0.5147 1.1365 | 0.7286 1.6088 |
| France Fr. Cty/Africa Fr. Guiana Fr. Pacific is | (Fr) (CFA Fr) (Local Fr) (CFP Fr) | 10.7600 538.00 10.7600 191.00 | 6 5629 328 1488 6 5629 116 4989 | 3.3783 168.9167 3.3783 59.9686 | 4.7822 239.1111 4.7822 84.8888 | l . | (CFA Fr) (Naira) (Nor. Krope) | 538.00 12.1582 11.4925 | 6899.6645 328.1488 7.4157 7.0097 | 3551.6483 168.9167 3.8173 3.6083 | 239.1111 5.4036 5.1077 | Yemen Yemes PDR Yugoslavia | (Rial) (Dinar) | 16.70 0.5635 17000.0 | 10.1860 0.3437 10369.0149 | 5.2433 0.1769 5337.5196 | 7.4222 0.2504 7555.5555 |
| Gabon Gambia Gernany East Common Work | (CFA Fr) (Dalasi) (Ostmark) | 536.00 10.4331 3.1850 3.1850 | 328.1488 6.3635 1.9426 1.9426 | 168.9167 3.2756 1 | 239.1111 4.6369 1.4155 1.4155 | Pakistan (Panama | | 34.50 1.6395 | 0.3846 21.0430 | 0.1979 10.8320 0.5147 | 0.2802 15.3333 0.7286 | Zaire Rep Zambia Zimbabwe | (Zain) (Kwacha) (S) | 578.75 16:80 3.365 | 353,0039 10,2470 2,0524 | 181.7111 5.2747 1.0565 | 257.2222 7.4666 1.4955 |
| Germany West Ghana Gibraltar | (DMark) (Cedi) (Gib £) | 3.1850 431 59 1.00 | 263.2448 0.6099 | 135.5070 0.3139 | 1.4155 191.8177 0.4444 | Papua New Gi Paraguay | (Guarani) | 1.4150 | 0.8630 | 0.4442 | 0.6288 | | | | | | |

om £0.768969 United States \$1.27818 Germany West D Mark 2.45091 Japon Yeo173.321 European Con United Kingdom £8/A United States \$N/A Germany West D Mark N/A Japan YeoN/A

te rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (i) Non commonds: (m) Market rate; (o) Official rate; (p) preferantial rate; (d) convertible rate; (r) parallel rate; (s) Selling rate; (d) Convertible rate;

THE CREDIT RISK MANAGERS



CREDIT INSURANCE

This announcement appears as a matter of record only



US\$50,000,000 **Revolving Credit Facility**

Arranged by Union Bank of Finland Ltd, London Branch

Provided by Union Bank of Finland Ltd, London Branch **Bardays Bank PLC** Bergen Bank A/S, London Branch Banque Leu (Luxembourg) S.A. Bayerische Landesbank Girozentrale, London Branch Credit Lyonnais National Westminster Bank PLC **Swiss Bank Corporation**

Agent Bank Union Bank of Finland Ltd, London Branch

May 1989



U.S.\$250,000,000 Undated Floating Rate Primary Capital Notes Notice is hereby given that the Rate of Interest has been fixed at 10.125% p.a. and that the interest payable on the relevant Interest Payment Date, November 16, 1989 against Coupon No. 8 in respect of U.S.\$10,000 nominal of the Nates will be U.S.\$517.50 and in respect of U.S.\$250,000 nominal of the Nates will be U.S.\$12,937.50.

May 16, 1989, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

Subordinated Floating Rate Notes 2001 Notes 2001
For the three months from May
15, 1989 to August 15, 1989, the
Notes will carry an interest rate of
12,975% p.a. On August 15,
1997 interest of £183,52 will be
due per £5,000 Note and
£1,835,21 in respect of £50,000
Note for Coupon No. 13 Citibank, N.A. (CSSI Dept.), Agent Bank May 16, 1989

Midland Bank plc £250,000.000



PAYMENT OF DIVIDEND

Notice is hereby given that the 28th April, 1989 General Meeting of Shareholders has resolved upon a distribution of net profit for the year ended 31st December 1988.

Accordingly, a dividend, in the gross amount of Line 600 per share whereto witholding taxes are to be applied, will be payable as of 17th May 1989.

Payment of the net amount, subject to detachment of coupon No. 4, will be made by one of the following institutions:

No. 4, will be made by one of the following institutions:

Monte Titoli S.p.A., Banca Commerciale Italiana, Banca Nazionale del Lavoro, Credito Italiano, Banco di Roma, Istituto Bancario San Paolo di Torino, Monte dei Paschi di Siena, Banco di Napoli, Banco di Sicilia, Cassa di Rispermio delle Provincie Lombarde, Banco di Santo Spirito, Istituto Bancario Italiano, Banca Popolare di Novara, Banca Nazionale dell'Agricoltura, Banca d'America e d'Italia, Nuovo Banco Ambrosiano, Banco Lariano, Banca Popolare di Milano, Credito Romagnolo, Banca Popolare di Verona, Banca di Trento e Bolzano, Banca Manusardi & C. S.p.A., Banca Cattolica del Venato, Credito Milanese, Banca Popolare Veneta, Banca Popolare di Pordenone, Cassa di Risparmio della Marca Trivigiana, Banca Antoniana di Padova e Trieste, Banca Popolare di Asolo e Montebelluna, Banca Popolare di Sondrio, Morgan Guaranty Trust Company, Deutsche Bank A.G., Barclays Bank PLC, Société Générale, Banca della Svizzera Italiana.

Morgan Guaranty Trust Company of New York Japanese Yen 15,000,000,000

Floating Rate Deposit Notes Due 1991 For the six months 16 May, 1989 to 16 November, 1989 the Notes will carry an interest rate of 7.275 per cent, per annum.

Interest payable on the relevant interest payment date. 16 November, 1989 will be Yen, 371,833,00 per Yen. 10.000,000,00 Note.

Morgan Guaranty Trust Company of New York Loudon

US\$250,000,000 linated Capital Notes due August 1996 **CITICORP**

Notice is hereby given that the Interest payable on the relevant Interest Payment Date, May 23, 1989, for the period February 14, 1989 to May 14, 1989 against Coupon No. 19, in respect of U.S.\$50,000 nominal of the Notes will be U.S.\$1,241.76.

May 16, 1989, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANC

INTERNATIONAL CAPITAL MARKETS

Index participation debate moves to Illinois courts

By Katharine Campbell

INDEX participations (IPs), the controversial equity derivatives caught up in a legal dispute concepning securities and the CFTC itself tives caught up in a legal dis-pute concerning securities and futures regulators in Washing-ton, finally started trading an two American exchanges at the end of last week. On Friday the Securities &

Exchange Commission, the US federal securities regulator, lifted a menth-long stay order allowing the Philadelphia Stock Exchange and the American Stock Exchange to pre-ceed with the launch of their similar IPs.

But the battles to overture the decision and banish the contracts are only just beginning.
The Chicago Mercantile
Exchange and the Chicago
Board of Trade, which trade competing stock index futures products, are sacking a further stay from the seventh circuit

Court of Appeal in Ilmois. The

court has requested the SEC to make its case against the stay by noon today. The argument revolves around whether IPs should be deemed as securities or futures, and is complicated by the lack of any concrete legal definition of what a future is in the Commodity Futures Trad-ing Commission's enabling act. If IPs are held to be securisay, they are within the ambit of the CFTC. index participations are essentially investment vehicles that reflect the current value

that reflect the current yalus of baskets of stock or stock indices, available in small enough parcels to be attractive to non-professionals. They can be settled for cash or alignatively, as in the case of the Amex for physical steck.

Mr Nicholas Giordano, president of the Philadelphia Stock Exchange said: "IPs are designed to bring the individual investor back to the stock market."

market." In many senses IPs resemble stocks as they can be held indefinitely and pay quarterly dividenda. But they have some characteristics of stock index futures too.

other way." All new products to be intro-duced on US exchanges have to go through an extensive yet-

demarcation lines between the two agencies.

But the derivatives industry has moved on apace in the last seven years, and some would argue the accord needs rethinking.

Trading on both exchanges Ms Mary Schapiro, an SEC commissioner, admits the distinction is a fine one. "I debelieve they are securities," she said, "but reasonable people can argue the case the other way." Trading on both exchanges was off to a mixed start on Friday. On the Amex, 42,595 participations of their equity IPs based on the S&P 500 index were traded, or an equivalent underlying value of about \$133.8m.

In Philadelphia, some 54,000 cash IPs or an equivalent value

cash IPs or an equivalent value of \$1.7m, also based on the S&P 500 index, changed hands. The blue chip ladex trade amounted to just \$11,925. ting process in Washington before they are approved. The SEC heard arguments from a host of industry participants

NMB to acquire bank unit in Belgium

NEDERLANDSCHE Middenstandsbank (NMB), the big Dutch bank, is to acquire the Belgian banking operations of the Royal Bank of Canada, AP-DJ reports.
Royal Bank of Canada (Belgium) is a full service bank with branches in Brussels and

Antwerp. Its name will be changed to NMB Bank (Belgium) after the transaction. The acquisition gives NMB direct entrance into the Belgian market. NMB said it was keen to utilise Royal Bank's Antwerp office for trade financing and to beef up its Dutch/

Belgian cross-border bus-iness.

The Dutch bank said: "We believe there are good opportu-nities for us in Belgium and we are looking forward to expand-ing by marketing our niche services in the Belgian mar-ket."

before issuing an order approving the contracts in mid-April Unusually, the commission quickly granted a stay giving the Chicago exchanges and others a further chance to put their arguments against the order. Now that the SEC has lifted the stay, it is up to the CME to try its luck in the Cent of Appeal.

CME to try its luck in the Court of Appeal.

The regulatory turf between the SEC and the CFTC has always been a disputed patch. In 1982 the so-called Shad Johnson accord was drawn up, an attempt by the then heads of the two agencies, John Shad at the SEC and Philip Johnson at the GFTC, to clarify the demarcation lines between the two agencies.

FT INTERNATIONAL BOND SERVICE

88 20 30 30 50 50 10 30 Japan Dev. Bank 10 96.
L.T.C. B. of Japan 9 ls 92.
Sfetropolls Tokyo 9 ls 93.
Nippon Tel. & Tel. 9 ls 98.
Normay 8 ls 93.
Poctugal 8 ls 91.
Prodential Cr. 8 ls 9 4.
State Bk S Aest 9 ls 93.
Sumitorio Bank 9 ls 92.
Sumitorio 7 91. E.I. B. 6-3 99
E.I. B. 6-3 99
E.I. B. 6-3 95
Euro Coal & Steel 5-3 97
Euroffma 6-1 96
Eles De France 5-3 97
Forsmark Krtg. 5-1a 93
Hydro-Quipber 6-3 99
Japan Ber. Bk. 5-3 95
Japan Finance 5-3 97
Ireland 6-1a 97
Hall West BK. PLC 6-98
N.H. L. Finance 6-3 95
Nippon Feig. & Tel. 6-95
Oesters. Koribik. 5-93
Portugal 6-3 95
Soc Cent Nuclear 7-1a 95
Inter 6-5 95
Inter CRS. Inc. 5 (12 US.

Crimoria 5-1 (2 US.

Allicandotal Br. 3-2 (4 US.

Allicandotal Br. 3-2 (4 US.

Allicandotal Br. 3-2 (4 US.

Rest Pris 3-1 (3 S.

Rest Pris 3-1 (3 S.

Rest Mapa, Br. 2-7 (2 US.

Commo Tabel 2-4 (2 US.

Rasks Honte 4-1, US.

Restland 7-1, US.

Restland 7-1, US.

Restland 7-1, US. California State of the califo SWISS FRANC STRAIGHTS A(rican Dev. Bk. 5 96... Astinog 5 03... B. F. C.E. 4½ 98... B. M. W. Fin. Neth. 5 13... Britannia Bis. 4½ 94... CIR. Int. W/W 3 93... Cresti Lyonasis 4½ 00... E.18 4½ 98... Fizieher Chall. 4½ 98...

7 Only one market maker supplied a grice-

The prices over the past week were supplied by: Senters Frust International; Kredisthant, N.V., Commer-Landesbank Girozentzale; Bank Generale du Limembourg SA, Bank Internationale Limembourgi, Kredisch NV, Pierson, Helpring & Pierson; Credit Suisse; Bank of Tokyo International; Chemical Bank Interna Errope NV; LTCS International; Fobert Fispanding & Co. Seldman Sages international; Caepwarking; Lynch; Morgan Stanley International; Nutrio Securities Company (Enrope); Nomica International; Sar Societe Generale Struss Tursball; Sarles Bank Gorporation; UBS-Phillips & Brook S.S., Washung &

INTERNATIONAL CAPITAL MARKETS

Treasuries retreat slightly ahead of inflation data

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds closed Reserve was managing a softmarginally lower yesterday, underpinned by a surging dol-lar but cautious in the wake of its 2% point rise last Friday and in advance of this week's meeting of the Federal Open Market Committee and Thurs-

GOVERNMENT BONDS

day's April consumer.prices-In late trading, the short end of the yield curve was slightly weaker, with some issues a point lower with the long end around is point easier. The Treasury's benchmark long bond was quoted a point lower for a yield of 8.835 per cent. Last Friday, the yield curve between two-year bonds and the 30-year bonds went positive

for the first time since early December on renewed opti-mism that the US Federal

By Richard Waters

Laval, along with a string of

other prominent Swedish com-

panies, are about to change fol-

lowing the latest in a spate of

shifting alliances in the Swed-

Bohlins, the country's third-largest accountancy firm and

joint auditor of some of its

ish accountancy world.

landing for the economy. Yes-terday, the curve inverted slightly once again, signalling a more cautious attitude. The yield on the 9.25 per cent 1991 bond was quoted at 8.89 per cent compared with 8.835 per. cent on the long bond.

Some retracement of gains in

the short end was to be expec-ted given that short honds had clearly started signalling an easing move by the Fed. The FOMC meets today and some market next indexed. market participants, judging by Friday's substantial rally on the smaller than expected increase in producer prices in April, believe that the central bank could ease policy.

There is still doubt that a move could come so soon.
Although industrial production and capacity utilisation figures released yesterday provided more evidence of a slowing economy, the deceleration is by no means dramatic. Industrial production rose

BENCHMARK GOVERNMENT BONDS

| <u>.</u> | | Сопроп | Red Date | Price | Change | Yield | Week ago | Month |
|----------|-----------|-------------|-------------|----------|--------|--------|-------------|-------|
| UK GILT | 8 | 13,500 | 9/92 | 106-31 | -1/32 | 10.95 | 10.25 | 11.10 |
| 1 | | 9.750 | _ 1/98. | 97-04 | -4/32 | 10.25 | 10.24 | 10.33 |
| · | | 9.000 | 10/08 | 97-16 | -8/32 | 9.28 | 9.26 | 9.34 |
| US TREA | SURY | 8.875 | 2/99 | 100-05 | -3/32 | 8.85 | 9.02 | 9.21 |
| <u> </u> | · | 8.875 | 2/19 | 100-10 | -3/32 | 8.84 | 8.98 | 9.05 |
| JAPAN | No 111 | 4.600 | 6/98 | .95.2635 | -0.086 | 5.38 | 5.36 | 5.18 |
| | No 2 | 5.700 | 3/07 | 105.9040 | -0.100 | 5.07 | 5.07 | 4.98 |
| GERMAN | ſY. | 8.375 | 11/98 | 95.3500 | 0.350 | 7.05 | 6.97 | 6.68 |
| FRANCE | BTAN | 8.000 | 1/94 | 96,3899 | 0.125 | 8.96 | 8.84 | 8.98 |
| | OAT | 8.125 | 5/99 . | 95.3500 | -0.075 | 8.84 | 8.74 | 8.85 |
| ÇANADA | • | 10.250 | 12/98 | 102.2500 | -0.850 | 9.88 | 9.96 | 10.41 |
| NETHER | LANDS | 6.7500 | 10/98 | 95.7250 | -0.250 | 7.39 | 7.22 | 7.06 |
| AUSTRA | LIA . | 12.000 | 7/99 | 92,6000 | +0.209 | 13.33 | 13.34 | 13.74 |
| London (| dosing, * | deniotes Ne | w York | close | | 1 - 17 | | |

THE auditors of the overseas week to join KPMG, the operations of Volvo and Alfa- world's largest accountancy

largest companies, amounced Bohlfus said it intended to its intention at the end of last remain a member of the

Nordic auditing firm links with KPMG

Swedish companies must by law be audited by two accoun-

KPMG offices will take on

the overseas audit work for Bohlins' clients from Deloitte Haskins & Sells, another of the

large accountancy groups.

Bohlins said it intended to

in five-year facility 0.4 per cent in April and capacity utilisation rose 0.2 per cent

By Norma Cohen

to 83.9 per cent. However, both

were revised downwards to

There is a substantial body of opinion that believes that

the Fed will maintain a no-

change policy given that infla-tion remains well above 5 per

cent and economic growth

above an annual 2.5 per cent.

Trading is likely to remain cautious while traders look for

any policy hints from the FOMC and settle into the wait

for Thursday's consumer prices figures for April, which

are expected to show a rise of 0.5 per cent to 0.6 per cent.

WITH MOST European mar-kets closed for the Whitsun holiday, turnover in UK gilt-edged securities was

subdued and traders were

largely concentrating on domestic economic data to

be released later in the

On Liffe, the June futures

contract ended at 95-15, a 1/2

point lower than on Friday, on the back of currency nervous-

The transport strike may not have unduly impeded dealers' progress to work, but it certainly served as a reminder of the threat of rising wage costs,

which is now emerging as a

significant factor in gauging inflationary pressures. The March average earnings

figures for March are awaited

with trepidation. Market consensus is for a 9.25 per cent increase, unchanged on Febru-

ary, but % per cent higher than this time last year.

Deloitte network as well as joining KPMG. However, the

ing later this week, is expected

to expel the renegade Swedish

KPMG's gain follows the loss

earlier this year of Reveko, its

former member firm in Swe-

den, which merged with Ohrlings, itself a member of the

international Coopers &

Lybrand group.

Deloitte executive board, meet-

first-quarter data.

BERGESEN, THE Norwegian shipping company, is raising \$150m through a five-year revolving credit facility arranged by Manufacturers

Hanover Trust.
This is the company's first unsecured long-term financing in the Euromarkets. Terms were not disclosed. • IMI Bank has established a \$250m Euro medium-term note

programme issuing securities with maturities from nine months to 10 years.

The programme is being arranged by Merrill Lynch International.

Notes will be issued on

either a fixed- or floating-rate basis or in zero-coupon form with a multi-currency option. Securities are guaranteed by Istituto Mobiliare Italiano, Italy's largest medium- and long-term credit institution.

The Australian Wheat Board has mandated National Westminster Bank to arrange a £100m commercial paper

The programme follows changes made in the UK's 1989 Budget, allowing overseas quasi-public bodies to issue this type of security. The pro-gramme is rated A-1+/P-1. Bowthorpe Holdings has mandated Midland Montagu to arrange a £100m multi-option

facility comprising a £100m uncommitted tender panel and a £50m committed standby facility. The facility term is five years and proceeds will be used for general corporate pur-

Mito Europe in Seag move

By Our Euromarkets Staff

MITO EUROPE, a subsidiary of the Japanese securities house, yesterday began market making in 30 Japanese stocks on Seaq International, the London Stock Exchange's automatic quotation system.

This brings to 22 the number of houses making markets in Japanese stocks, and to 52 the number of market makers on the 700-stock system.

Bergesen to New-issue activity on hold raise \$150m as dollar surge continues

By Norma Cohen

EUROBOND market activity hit a lull yesterday with European centres closed for the Whitsun holiday. What inves-tor interest remained was fixed on the currency markets, where the dollar rose to a 21/4-

year high.
The strength of the US currency, however, has not been translated into heavy demand for new Eurobonds, although dealers had reported brisk secondary market activity during

a stunning rally last Friday.
Yesterday, a bout of profittaking pared some of the rally's gains and the Eurobond market kept pace with the tone in the Treasuries market. New issues launched in the heat of the raily last Friday were for Australian dollar and sterling securities rather than the US currency.

A new-issues manager at one US firm, noting that in the last

rally of dollar-denominated bonds gains were suddenly and unexpectedly reversed by the Bundesbank's decision to raise short-term interest rates, said: Underwriters prefer to launch

INTERNATIONAL BONDS

Among the new issues launched on Friday was a £300m mortgage-backed floating-rate bond for MAES Funding Number 2, a special-pur-pose vehicle created by J.P. Morgan. The vehicle owns mortgages originated by CIBC UK Mortgages.
Unlike most of the UK mort-

gage-backed securities, which have an average life of sevenyears, the latest notes have an average life of two years. They also carry a narrower spread

over Libor of 15 basis points against a 20 basis point spread offered on the last issue of mortgage-backed notes. There is a "step-up" provi-

sion to a 50 basis point spread after four years if the notes have not fully matured, far earlier than the step-up after 10 years offered by previous issues of similar securities. Dealers said that Barclays

Bank was expected this week to make its long-awaited offer of £175m of mortgage-backed notes supported by home loans removed from its own balance sheet. Strong investor interest suggests these securities may also carry a spread narrower than 20 basis points over Libor.

There has been a dearth of sterling mortgage-backed securities this year - in spite of strong investor demand for floating-rate assets in that cur-

Salomon to launch Chile fund

By Barbara Durr in Santiago

SALOMON Brothers, the New York investment bank, is to launch a \$60m investment fund for Chile, according to Chilean Finance Ministry officials in

Santiago. The Chile Fund will be listed on the New York Stock Exchange. It is designed to attract fresh capital rather than use converted debt paper for investment in the Chilean

The move follows similar investment funds created by Salomon for Thailand, Brazil

Last year, Midland Bank, in association with several other international banks and the International Finance Corporation, the private wing of the World Bank, began an invest-ment fund in Chile based on converted debt oblig-

Inverchile, the Chilean investment company handling this fund, said that in its first nine months it had gathered a portfolio worth 10 to 15 per cent more than the face value of the converted debt. Midland Bank and Inverchile are understood to be working on a sec-ond, similar fund. Genesis Investment Manage ment, the British investment

company, is also looking at the possibility of an investment fund. Genesis is a subsidiary of American International Group the insurance concern. The Chilean stock market

has risen more than 46 per cent this year largely as a result of Chile's private pension funds. Legislation widening their stock market participation was approved this week.

Australian approval sought for Instinet

REUTERS Australia is seeking approval to introduce the Instinet equities screen trading service in Australia, according to application documents released by Reuters, the international business information network, and the National Companies and Securities Commission,

the agency reports.

The NCSC will analyse responses and frame a recom-mendation to the joint federalstate ministerial council which oversees company and securi-

Reuters has applied under the securities industry code for Instinet Australia (IAL) to act as an exempt stock market. It proposes that the existing Instinet service be allowed to operate immediately in Australia for screen trading of US and UK equities and that IAL then join the Australian

offering brokerage of ASE Mr Henry Bosch, NCSC chairman, said: "Instinet and services like it have the poten-

Stock Exchange (ASE) before

tial to change the structure of the Australian equities market." Therefore the NCSC felt that securities industry comments should be sought before it framed a recommendation.

The NCSC believed Instinet's operations would be in the public interest, provided level playing fields were maintained. It proposed arbitration and surveillance conditions.

However. Reuters said in response that these conditions were not appropriate to Instinet's role as a broker.

INTERNATIONAL **COURIER & EXPRESS** SERVICES

The Financial Times proposes to publish this survey

JULY 19 1989

For a full editorial synopsis and advertisement details. please contact:

> **NEVILLE** WOODCOCK on 01-873 3365

or write to him at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

SPANISH BANKING Finance & Investment

For a full editorial synopsis and ivertisement details, please contact

Mr Richard Oliver on Madrid 577 09 09 Serrano 58, 28001 Madrid aber: Madrid 564 18 92

> Alternatively Sandra Lynch Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

TI OMBOW MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint complication of the Financial Times,

| EQUITY GROUPS | Menday May 15 1989 | | | | | | | Thu May 11 | Wed May 16 | Year ago (approx) |
|---|--------------------|-----------------|--------------------------------------|---|-------------------------------|----------------------------|--------------|-------------------|-------------------|-------------------------|
| & SUB-SECTIONS Figures in parentheses show number of stocks per section | index No. | Day's Change | Est. Earnings Yield% (Max.) | Gross Div. Yield% (Act at (25%) | Est. P/E Ratio (Net) | nd adj. 1989 to date | ladex No. | index No. | index No. | Index No. |
| 1 CAPITAL G000S (207) | 972.87 | +0.8 | 19.47 | 3,98 | 11.75 | | | | | |
| | 1226.69 | +1.5 | 11.70 | 4.17 | 18.47 | . 17.57 | | | | |
| | 1698.85 | +8.2 | . 1331 | 4.15 | 9.83 | 28.37 | | | | |
| 4 Electricals (10) | 2845.10 | | 8.33 | 4.26 | 14.64 | 25.81 | | | | |
| 5 Electronics (30) | 2241.78 | #11 | 8.49 | 2.99 | 15.25 | 13.93 | | | | |
| 6 Mechanical Engineering (54) | 522.72 | 10.7 | 10.66 | 3.91 | 12.22 | 7.37 | 519.30 | | | 387.00 |
| 8 Metals and Metal Forming (7) | 550.41 | . +0.4 | 14.16 | 5.43 | 8.00 | 0.43 | | | 542.46 | 444.35 |
| 9 Motors (17) | 320.20 | +0.3 | 11.49 9.23 | 4.74 | . 19.17 | 6.44 | | 317.19 1595.13 | 317.91 1682.43 | 268.34 1238.57 |
| 10 Other (ndustrial Materials (22) | 1214.53 | 18.4 | 8.94 | 4.16 3.63 | 12.95 14.62 | 24.98 9.41 | | | | |
| 21 CONSUMER GROUP (185) | 1222 90 | 18.2 | 9.94 | 3.51 | 12.49 | 9.92 | | | | 1097.82 |
| 25) Food Manufacturing (20) | 1042 44 | +8.4 | 9.68 | 3.96 | 13.00 | 11.32 | | | | 898.35 |
| 25) FOOD MAZINITACIUTURS (200 | 2007 | 10.7 | 8.47 | 3.30 | 15.54 | 16.14 | | | | |
| 26 Food Retailing (15)27 Health and Household (14) | 7754 74 | +1.0 | 636 | 2.59 | 17.91 | 14.41 | | | | 1782.29 |
| 29 Leisure (33) | 1647.13 | 10.2 | 7.52 | 3.38 | 16.69 | 15.53 | | | | 1281.00 |
| 31 Packaging & Pager (15) | | 18.1 | 18.86 | 4.21 | 12.52 | 6.99 | | | | |
| 32 Publishing & Printing (18) | 3583.00 | +8.7 | 9.16 | 451 | 13.69 | 43.67 | | | 3555.56 | 3330.49 |
| 34 Stores (33) | 874.36 | +8.2 | 10.97 | 4.39 | 11.93 | 1.98 | | | 787.99 | 804.28 |
| 35 Textiles (15) | 127.74 | +8.8 | 11.78 | 5.37 | 18.32 | 6.31 | | 524.67 | 526.95 | 584.33 |
| 40 OTHER CROUPS (95) | N183.25 | +8.9 | 9.89 | 4.84 | 12.28 | 9.85 | 1093.71 | 1881.96 | 2001.62 | 862.89 |
| 41 Agencies (18) | 1363.61 | +1.8 | 6.78 | 2.40 | 18.44 | 14.30 | 1339,97 | 1325.00 | 1317.A5 | |
| 42 Chamieule (22) | 11242.77 | +8.5 | 11.39 | 4.75 | 18.38 | 22.54 | 1236.29 | 1227.33 | 1233.68 | 985.98 |
| 43 Conglomerates (12) | 1611.43 | +0.7 | 9.85 | 4.37 | 11.52 | 5.37 | 1599.67 | 1581.38 | 1572.94 | 1159.78 |
| 45 Transport (13) | 2446.18 | +0.9 | - 8.10 | - 3.52 | 16.61 | 20.16 | | | 2391.68 | |
| 47 Telephone Networks (2) | 1147.07 | +0.6 | 10.23 | 4.89 | 12.70 | 1.86 | | | | 952.91 |
| 48 Miscellaneous (28) | 1483.67 | +1.4 | 10.55 | 3.99 | 18.76 | 21.65 | 1462.47 | 1457.85 | 1467.78 | 111119 |
| 49 INDUSTRIAL GROUP (467) | 1142.74 | +0.7 | - 9.64 | 3.84 | 12.81 | 10.45 | 1135.23 | 1123.17 | 1126.27 | 934.53 |
| 51 Oil & Gas (L3) | 2815.99 | +8.3 | 10.40 | 5.51 | 12.79 | 41.99 | 2009,72 | 1989.16 | 1988.68 | 1799.28 |
| 32 011 01 003 10271 | 1217.17 | +8.6 | 9.74 | 4.06 | 12.81 | 13.62 | 1209.76 | 1196.92 | 1199.76 | 1667.61 |
| | 759.34 | +2.7 | | 5.00 | | 24.74 | | 748.78 | 752.07 | 44.56 |
| 61 FINANCIAL GROUP (123) | 752.41 | 19.6 | 23.45 | 6.27 | 5.68 | 21.71 | 758.89 | 748.26 | 754.01 | 621.34 |
| 62 Banks (8) | 1677.68 | +4.5 | | 5.54 | - | 29.86 | 1072.19 | | 1867.38 | 966.25 |
| 66 Insurance (Composite) (7) | 681.89 | +0.7 | - 5- 1 | 5,70 | | 13.65 | 596.78 | 594.93 | 597.48 | 529.36 |
| 67 Insurance (Brokers) (7) | 992.34 | - 43.3 | 8.57 | 636 | 16.59 | 27.86 | 968,41 | 968,29 | 965,77 | 918.65 |
| 68 Merchant Banks (11) | 332.67 | | 1 | 453 | | 3.70 | 332.56 | 332.72 | 334.37 | 343.33 |
| | 1343.69 | +0.8 | 5.90 | 2,69 | 21.51 | 6.77 | 1333,42 | 1323.91 | 1325.12 | 1161.05 |
| | | +8.3 | 9.91 | 5.59 | 12.75 | 4.03 | 374.06 | 372.94 | 374.29 | 377.60 |
| | 1167.97 | +1.1 | - | 2.74 | | 8.37 | 1155.63 | 1145.58 | 1143.67 | 261.88 |
| 81! Mining Finance (2) | 653,47 | -8.5 | 9.49 | 3.90 | 11.73 | 18.45 | 656.61 | 651.51 | 653.73 | 468.66 |
| 91 Overseas Traders (8) | 1383.25 | | 18.18 | 5.09 | 11.44 | 30.41 | | 1363.86 | 1355.74 | 1631.68 |
| | 1105.75 | 18.6 | | 4.17 | | 13.35 | 1099.06 | 1087.94 | 1098.61 | 916.75 |
| 99 ALL-SHARE INDEX (705) | | | | | | | | | _ | _ |
| | ladex · | Day's | Day's | Day's | May | May . | May | May | May | Year |
| <u> </u> | . No | Change | High (a) | TOM (P) | 12 | | 10 | · | 8 | 290 |
| FT-SE 100 SHARE INDEX4 | 2149.9 | +14.2 | 2153.4 | 2145.2 | 2135.7 | 2110.4 | 2117.0 | 2125.1 | 2119.6 | 1776.6 |

| | FD | (ED I | NŢĒ | RES | r _ | | | AVERAGE GROSS REDEMPTION YIELDS | Mon May 15 | Fri May 12 | Year ago (approx.) |
|-------------|---|--------------------------------------|-------------------------|--|------------------|--------------------------------------|----------|---|--|--|--|
| - | PRICE INDICES | Mon May 15 | Day's change | Fri May 12 | xd adj. today | ad adj. 1989 to date | | British Coveragest Law 5 years | 9.56 9.21 9.03 | 9.61 9.24 9.67 | 8.62 9.13 8.97 |
| 3 4 | Britisk Generation 5 years 5-15 years Over 15 years Irredeemables | 118.29 133.80 145.14 168.35 | -8.07 -8.05 +0.48 | 118.27 133.89 145.21 167.56 131.55 | - | 4.41 4.62 5.92 6.10 4.78 | 67 89 | Medium 5 years | 10.64 9.65 9.22 10.76 9.87 9.40 9.03 | 18.62 9.64 9.22 18.74 9.86 9.40 9.07 | 9.11 9.33 9.15 9.20 9.49 9.22 8.91 |
| 6 7 8 | Index-Linked 5 years Over 5 years All stocks | 131.51 134.22 133.82 133.73 | +0.12 +0.02 +6.03 | 134.96 133.79 133.69 | - | 1.36 1.28 1.27 | 11121314 | Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Over 5 yrs. Sebs & 5 years | 3.52 3.58 2.63 3.42 | 3.55 3.58 2.67 3.42 | 2.58 3.76 1.61 3.60 10.41 10.67 |
| | Preference | τ. – | l | 115.11 89.88 | | 3.80 2.05 | 17 | Leas 15 years 25 years | 11.56 11.13 16.19 | 11.54 | 10.71 |

. . .

SOpening index 2147.4; 10 am 2149.9; 11 am 2147.4; Noon 2149.6; 1 pm 2151.6; 2 pm 2153.0; 3 pm 2147.1; 4 pm 2147.9; 4.05 pm 2148.1

(a) 2.09pm (b) 9.20am t Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Isanes. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1.9HL, price 15p, by post 34p.

| | THE PART | وهروان | V.A | 01100 |
|-------|----------|--------|-------|-------|
| · | | | | |
| RISES | AND | FALLS | YESTE | RDAY |
| | | | Rises | Falk |

British Funds
Corporations, Dominion and Foreign Bonds
Industrials
Financial and Properties 518 276 33 7

LONDON RECENT ISSUES

| . igser Price | Pale | |] 196 | 9. | Start . | Challes |]+er | Nes. | Times | Cos. | P.E. |
|---|----------------------|-------------|--|-------------|--|---|-----------------|---------------------|------------|----------------|------------------------------|
| Price | | - | li iga | Ĺœ | 1 - | Price | 1 | Ohr. | Cord | Yeld | Statio |
| . <u>\$100</u> | E.P. | - | 106 60 71 | 102 | Abtrest New Daws lov. Tst | 103 60 63 125 6200 5800 5800 9517 74 113 544 118 175 209 46 | 12 | - | - | - | <u> </u> |
| | F.P. | J - | ഈ | 50 | Do, Warrants | 60 | ı | <i>.</i> | | | _ - - |
| 957 1100 | F.P. | | 1 .4 | 108 | Furtherstal exorts 5-7b | 22 | Į . | کِیو ا | 3.4 1.9 | 3.2 | 116 |
| 3100 | F.P. | i -i | 125 6350 | PT00 | Meconings and the Co. LL-12 | , (2 2 | | 딿 | | 55 | 쌾 |
| • | E-6-1 | 1 1 | 1100 | 200 | No. (2 '60 No. 6-0 FF-1E | 1 020 | 翁 | # - | - 1 | - | |
| #2 7 00 | 昆 | <u> </u> | 1/2 | 歰 | Hamberley Group 2½p Househey Intl. 10p Child Packaging SA FFr15 Do (½ '89 Div Reg) FFr15 HCapita Group | 3000 | 7 | ے م | 3. | 24 | 21.2 |
| 2500 | E& | | 122 | ෂ | EDiamond Group Hidgs Sp | -24 | լա | | 2.2 4.7 | 17 | 171 |
| ~ | e's | | 1110 | 78 | Ex-Lack 10s | G-72 | 1+2 | 25 113 05 | 7. | 訪 | <u></u> |
| + 등 8 + + 등 등 등 등 수 등 등 등 수 | F 9. | I : | 100 100 100 100 100 100 100 100 100 100 | 61 | Do. Warrants | 74 | Į. | | 1 | | |
| odino i | F.P. | 195 | 1 113 | 100 | Flemies Kish ise inv | 113 | l | 1523 | | 62 | 1: 1 |
| 50 | F.P. | | 543 | 52 | Gartmore Value loss, 100 | 54% | į . | 協為 | - 1 | 9.3 | |
| 50 | f.P. | ! −! | 516 | 505 | Gartmore Value less. 10p Do. Zero Dix. Prf. 10p | 504 | • | f -i | l - ! | - | - : |
| \$100 | I FP ' | - | 51.53 178 211 49 500 | 115 | #Grees (J.) | 118 | 1 | 129 136 W | 29 | 3,3 | 14.1 |
| 1175 | F.P. F.P. F.P. | ! - | 178 | 173 | Flaex Hidgs, 10p | 175 | 1 | 13.6 | 27 | 27 | 16.0 |
| ş. 17 | F.P. | - | 211 | 198 | MB Group | 209 | +L | ₩- | 1 | - | 106 |
| 447 | I E.P. I | i -i | 49 | 40 | Malaya Group 10p | 45 | | 6.0 | 3.7 | 5.8 | 63 |
| ‡ | E.P. | i - | 500 | 460 | Mid Kest Hidgs. £1 Do. Warrants £1 | 460xr | | 6.0 | - 1 | 17 | - ! |
| | F.P. | I -I | | 50 | 00. Warrants £1 | 107 | | | · I | | |
| 528 | F.P. | I -I | .66 | . <u>56</u> | ##iskin Group 20p | - 63 | | Wd1_38 | 4.5 | 29 | 8.7 |
| -17. | F.P. | - | 108 | .95 | OIS Greep | 100 | . ! | اتحنا | - 1 | | - |
| 2100 | 1 550 | - 1 | 7077 | .100 995 | Olim Conv. Tsl | TINE | # | N7.5 | - 1 | 9.3 | - : |
| 25 25 25 25 25 25 25 25 25 25 25 25 25 2 | FP FP FP |] | ## | 1001 | SPORTS Gross 50 | 305 | +2 | 84.5 | 18 | 5.7 | 115 |
| 7 | F6 | | 300 | 200 | Alternative Co. of J. cardon Sile. | 뾽 | -2n | | ᄱ | 3. | 45 |
| - : | FP. | 1 | 178 | 瓷 | Property Co of London 50p Quarto (Restd Trans) 1.0c | 177 | -20 -2 +1 | 60 | 1 | 47 | |
| 62 | I FP. I | 19/4 | 78 | 52 | 40x119cttl 5p | 68 | ₽ī . | 120 | | 39 | 120 |
| 125 | FP. | · - | 66 108 109 108 108 178 178 147 | 1361 | Services So | 147 | - | 6.0 R2.0 L4.7 | 24 | 43 | 177 |
| 125 | F.F. | 12/5 | 路 | 325 | Trv 6ratio | 460ar 107 63 108 108 108 108 108 108 108 108 108 108 | 1 1 | 10.01 | 캗 | 5.1 | 12.2 |
| ENERS. | F.P. | - | 89 | 73 | Filtra-Vision Iröp | 73 | -2 | eQ23.9 | 끒 | 43 51 14 | 12.0 12.2 12.2 30.9 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

| | | FI | XED | INT | REST STOCKS | | |
|-----------------------|------------------|------------------|---|--|---|--|------|
| trave Price £ | Assquatt Paid | Latest. Remoc | | 189 | Stock | Clasing Price | + 07 |
| | up | Date | High | Low | | £ | |
| 106.65 100 100s | | 66 95 45 | 110 1029 709m 1010 100-1 2812 100 | 1054 102p 14ppm 90p 994 994 25 | Brit, Assels Tie, Ind-Linited 2005 Dwyer 7 25pc Dw. Cam. Red. Pri- Goldehouse 8.5pc/ser) Cv Pf 2006 Hambres 7-3pc (Bel) Cam Gwr Red Pri- Freife Anglia 12 5pc 19,3 99 Do. 133 pc 23.4 90 Do. 135e Bels 14.5 90 Do. 135e Bels 14.5 90 | 110 1620 1420 1420 1934 1904 1904 1904 1904 1904 1904 1904 190 | +++= |
| | | | | | | | |

RIGHTS OFFERS

Amount Paid up

Remore 1989 Cate High Low

Closing Price P

| 26 | | | 33cm | i itom | Creston 100 | 24cm | +3 | | | | | |
|--|---|-------------|---------------|--------------|---|-----------------|---------|--|--|--|--|--|
| 26 17 45 | | | 96500 | | Ex-Lands 100 | 7300 | . ž | | | | | |
| 4 5 | | - | 120m | 10ees | Gardiner Group 50 | llns | i - | | | | | |
| i:58 | | | 12pm 16pm | 1366 | Helton Hitles | 143 pm | 1 | | | | | |
| 65 | M . | | Soon . | | Gorgea Cook | 70m | -1 | | | | | |
| 88 | | | 1200 | | Porter Chadburn 50 | 12nm | +2 | | | | | |
| EOC | | 1 [| 250m | | Securitor Gross A (NV) | 255em | .5x | | | | | |
| 355 | | • | | July Park | Provide Company of the commence of the commence of the company of the company of the commence | 200 | 72 | | | | | |
| 500 450 5 | 侧: | • | 188pm | 75pm | Security Services | 183pm | +35 | | | | | |
| > | , #11 | - | . 2pm | 2 pm | Statis H1695. 50 | 2pm | | | | | | |
| ! | | ' <u> </u> | ۱. <i>.</i> ا | | l | _ | ٠ | | | | | |
| · 2 Applicati | sed divided | لتتؤول والأ | इ क्रिस्ट व्य | DECEMBER 1 | estimates d Dividend rate paid or payable (| on part of c | apital, | | | | | |
| over pased | oz diylden | don tell c | epital g As | umed divid | end and yield s Dividend and yield exclude | pedal pays | | | | | | |
| precest, pr | precess, or estimated actualised dividend rate, cover based on previous year's carnings. Hi Dividend and yield based on | | | | | | | | | | | |
| | | | | | ated admialised divident, cover and p/e base | | | | | | | |
| arn eas M | Obligations as | od vield be | sed on Pros | nectus or of | ther official estimates for 1988.N Dividend | and while h | cod no | | | | | |
| rossectus r | rother off | icial estin | oles for 19 | REVEN DE | ross R Forecast annualised dividend cover a | nd ave ratu | haven | | | | | |
| a printinger) | is or other | official e | olemates V | Pen Form | on flowers. V beauted by tender. 4 Offered to b | alders of a | dhar | | | | | |
| sers as a "rights" t introduction @Packer orice to Reinforduction + issued in connection with representation | | | | | | | | | | | | |
| verses of takeover, I Allocaters price I United Securities market A Official London Histing C Including warrants | | | | | | | | | | | | |
| mayor or c | | STATE OF | # 무슨 할 것이 | IONEN SERVI | the newest ourse region would to | with the second | 1161.5 | | | | | |
| | stitlement.* Third Market. | | | | | | | | | | | |

TRADITIONAL OPTIONS

May 15 Calls in Vista, Bula Res, Bus
May 26 Tech, Tomkins, BSR, Medirace,
Aug 10 Pericon, IMC, Davy Int, Rodime,
Ooniebrae, Sunleigh, Budgens,
PâO Wrnts, Smith & Nephew, First Dealings Last Dealings
 Last Declarations For settlement

LONDON TRADED OPTIONS

of call positions in Hanson, as son option series was the May

HANSON came with a late run on the London Traded Options Market yesterday, to give overall dealings on the market a sem-blance of reaching lately established averages.

Dealings in the option contracts on the stock, which were no more than 1,716 at 2.30 p.m., ended at 3,733, consisting of 2,265 calls and 1,468 puts.

In the background to the Han-son dealings was a favourable market reaction to the profit and company, each showing a rise. The underlying price of the Hanson shares was up a further 3p on the day to 202p. Options traders reported some rolling forward

they did in British Steel, together with some profit-taking in Hanson.

Overall business in the options

Overall business in the options Overall business in the options market came to 27,241 contracts,

comprised in 19,683 calls and

Turnover in the FT-SE 100 Index option reached the modest

Index option reached the modest total of 4,972 contracts, but still accounted for 18.3 per cent on overall business. There were 2,237 calls traded in the index, and 2,735 puts. The Index itself again reached its highest levels since the Great Crash of October, 1997, to finish the state of the contract of the state o

CALLS PUTS
Jel Oct Jan Jel Oct Jan Option

in the August 200 calls, there was turnover of 633 contracts and an opening of position of 11 to 3,726.

Closing of interest in the May 140 and August 180 calls, how-ever, meant that there was an overall reduction in the number of exerciseable call contracts in the again reached its highest levels since the Great Crash of October, 1987, to finish at 2,149.9, up 11.2 points on balance. The most heavily traded Han-tion of 1,138 to 12,016.

CALLS PITS May Aug. Hav. Hay Aug. Hay.

| 2000 | | 120 | DCZ | J i | Jal | Bcţ | | | | | | | _= | | <u> </u> | 4,044 | | | | - 1447. | | - | rust. | |
|-------------------------|----------------------|-----------------------------|----------------------|-------------------|-----------------------------|------------------------------------|------------------|---------------------------|-------------------|-------------------------------|----------------------|----------------------------|---------------|----------------|----------------|--|---------------------|-----------------------------|-------------------------------------|----------------------|---------------------|---|--|--|
| uid Lyons °462) | 420 460 500 | 43 16 55 | 55 31 15 | 66 41 23 | 23 | 9½ 27 55 | 13 30 60 | Storebouse (*169.) | 140 160 180 | 16 | | 25 | 2 6 21 | 10 22 | 13 26 | Tesso (°171) Opties | 140 160 180 | 32 12 1 | | 40 24 11 | | 4½ 12 Sep. | 21 ₂ 6 13 | |
| irit. Airway: '207) | 180 200 220 | 29 12 31 ₂ | 32 19 10 | | 2 7 22 | 3½ 10 24 | 8 13 25 | Trafalgar (*387) | 360 390 | 30 12 | 43 27 | 50 33 | ? ප් | 13 28 | 20 33 | ASDA Grp. (*173) | 160 180 | 2I 9 | 24 13 | 27 16 | 5 13 | 5 15 | 8 18 | |
| irit Com *210) | 200 220 240 | 15 5 2 | 26 13 7 | 28 17 | 7 16 36 | 9 18 36 | 12 22 | lital.Biscults (*334) | 300 330 360 | 15 | 47 28 15 | 53 34 21 | 3 16 39 | 6 19 40 | 10 20 41 | Gateway (*195.) Option | 180 200 | 23 10 May | 13 | 28 14 Dec. | 3 10 May | 5 13 Sep. | 8 16 Dec. | |
| teeckam 1615) | 550 600 650 | 72 37 14 | 93 58 35 | 107 75 51 | 7 22 52 | 13 30 56 | 17 35 62 | Uniferer (°\$57) | 550 600 | 34 10 | 52 26 | 66 40 | 15 45 | 19 47 | 23 48 | Vaal Reefs (°574) Option | 70 80 | 7. 1. 5 | LI Sep | 12 6 Dec | ار 7 اسم | 31 ₂ 91 ₂ 1 Sep | 41 ₂ 101 ₂ Dec | |
| ioois 1292) | 260 280 300 | 35 20 | 45 30 19 | 49 36 25 | 25 10 19 | 6 12 20 | 7½ 14 22 | Ultramar (*318) | 290 300 330 | 49 34 14 | 58 46 25 | 68 52 35 | 3 7 20 | 7 11 24 | 9 14 26 | Amstrad (*114) | 100 110 120 | 18 10 5 | 23 17 11½ | 26 20 15 | 1 ly 4 10 | 3 6 12 | 5 8 14 | |
| l.P. 1284) | 280 300 | 13 | 20% 11% | 26 ½ | 81 ₂ 21 | 12 | 15 27 | Option | | Шу | | | | | iter. | Bardays (480) | 420 460 500 | 66 28 6 | 76 42 17 | 82 52 | 2 6 23 | 4 11 | 6 14 | |
| iritist: Steel 189) | 80 | را 10 يا3 | 114 | 16 | 34 | 4½ 10¼ 17½ | 64 | Brit Aero (*634) | 550 600 650 | 86 36 - | 105 64 34 | 120 85 54 | 1 - | 5 13 25 | 10 21 42 | Blue Circle (*562) | 500 550 | 68 30 | 88 50 | 100 64 | 2½ 12 | 32 8 22 | 10 26 | |
| ess 960) | 900 950 1000 | 82 47 17 | 117, | | 9 30 52 | 18 33 55 | 27 45 72 | 844 (*348.) | 330 360 390 | 19 2 ½ | 30 13 | 48 28 15 | 1 13 43 | 9 23 48 | 14 28 50 | British Gas (*182) | 600 160 180 | 0.4 | 10 | 40 28 14½ | | 48 24 9 | 50 3 10 | |
| & Wire 540) | 500 550 | 55 23 | 76 44 | 90 | 8 30 | 15 35 | 18 40 | BAT inds (*549) | 500 550 600 | 50 5 4 | 70 35 13 | 82 49 27 | 1 5½ 53 | 20 55 | 13 31 60 | Dixons (*138) | 200 120 130 | 20 13 | 25 17일 | 6½ - 23 | | 21 31 ₂ 7 | 23 9½ | |
| ns. Gold 1318) | 1250 1300 1360 | | 160 130 100 | 165 140 120 | 40 60 85 | 60 85 115 | 75 105 135 | 8TR (*387) | 330 369 390 | 58 28 3 | 68 40 21 | 74 4 9 30 | 1 7 | 16 5 14 | 4 9 19 | (*1393) | 350 | 117 | 111 ₂ 167 150 | 17 190 155 | 8 9 20 | 12 3 22 35 55 | 45 31 47 | |
| ourtaulds 324) | 300 330 | 28 8 2½ | 37 20 | 44 27 | 7 23 50 | 11 23 50 | 14 26 | Brit. Telecom (*273) | 260 280 300 | 14 15 1 | 22 8½ 3 | 28 17 7 | 1 9 28 | 5½ 14 32 | 7 18 35 | Hawker Sidd. (*711.) | 400 650 700 | 45 63 23 | 89 57 | 97 67 | 40 8 27 | 55 20 38 | 67 22 42 | |
| om. Union 378) | 360 390 420 | 34 14 | 42 22 11 | 54 34 | 5 17 44 | 12 24 48 | 16 28 | Cathery Sch (*355) | 330 360 | 26 2½ | 4 <u>1</u> 19 | 52 32 | <u>ئ</u> و | 5 15 | 8 20 | Hillsdown (*271.) | 750 260 280 | 14 5 | 31 24 15 | 42 32 21 | 6 37 | 70 9 39 | 75 10 46 | |
| .K.N. 379 1 | 330 360 | 60 34 | 5 | 76 55 | 147 | 5 13 | 7. 15 | Galaness | 390 420 | 년 64 | 8 78 | 16 | 37 | 37 4 | 39 6 | Louris (*281.) | 257 283 309 | 25 11 34 | 35 22 11 | 47 30 21 | 4 16 37 | 8 20 39 | 13 25 46 | |
| and Met. | 390 500 | 16 77 | 25 86 | 37 102 | 20 2 | 25 61 ₂ | 27 9 | (*482) GEC | 460 500 220 | 24 2 | 44 20 30 | 60 38 | 1 20 | 16 28 3 | 18 34 5½ | | 329 357 | 18 4 | 25 11 | 34 | 6 22 | 11 26 | 13 | |
| 564) | 550 600 | 36 12 | 4 9 24 | 40 | 121 ₂ 40 | 43 | 23 45 | (*244.) | 240 260 | Ξ | 16 5½ | 37 23 12 | Ξ | 16 24 | 14 25 | R. Royce (*192.) | 160 180 1 200 | 34 161 ₂ 4 | 41 25 12 | 42 28 17 | 1 2 12 | 14 5 13 | 3 75 15 | |
| C.I. 1 226) | 1150 1200 1250 | | | 140 110 | 11 25 49 | 23 44 65 | 31. 47 70 | Harson (*202.) | 160 180 200 | 42 22 7 34 ₂ | 44 : جلک ! با | 331 ₇ 19 | 72.745 | 1 2 712 | 3 10 | Sears (*120) | 110 120 130 | 11 35 15 | 141 ₂ 81 ₂ | <u> </u> | 15 | 31 ₂ 21 ₂ | 4 10 17 | |
| guar 302) | 300 330 | 18 6 | 27 14 | 37 22 | 10 28 | 16 32 | 18 34 | (ASMO (*465) | 403 441 479 | 65 27 21 ₂ | 80 55 24 | 95 | I 14 18 | 5 15 28 | 9 20 35 | (°311) | 290 300 | 37 | 45 291, 15 | 54 39 | 1½ 5½ | 5½ 10 | 65 14 | |
| ngfisher 332) | 280 300 330 | 53 35 14 | 60 42 24 | 70 54 32 | 11 ₂ 5 16 | 4½ 9 20 | 6 11 21 | P. & O. | 650 | 38 | 67 | 82 | 15 | 14 | 20 | Thom EM1 (*716) | 650 700 | 75 29 | 78 40 | 22 95 58 31 | 22 را1 8 | 22 | 28 10 27 57 | |
| doruke 277) | 500 550 | 79 38 | 58 | 68 | 31 ₂ 12 38 | 7 18 | 11 24 | (°686) Pilklegton | 700 750 220 | 3 1 22 | 37 17 26 | 50 30 35 24 | 20 67 1 | 67 6 | 42 72 7 | TSB | 750 110 120 | 8 5 14 | 18 8½ 3½ | 31 U 65 | 37 3 10 | 55 5 12 | 57 6 12 | |
| nd Secur | 600 550 | 13 50 | 33. 70 | 43 83 | 8 | 43 10 | 46 12 | (*241) Plessey | 240 260 240 | 1 22 | 14 7 28 | 24 14 34 | 2 20 4 | 13 27 4 | 16 29 6 | (NEST) | 420 460 | 46 20 | 66 39 23 | _ | 41, 15 | _ | 15 30 53 | |
| 96) | 650 650 | 18 4 | 38 - | 50 _ | 25 67 | 30 _ | Z | (7261.) | 260 260 | 32 ₂ 1 | 41 ₂ 6 | 21 9½ | 25 21 | 11 26 | 13 27 | | FT-SE | | EX 1º | 2148 | 1 | | | |
| & 5 (88) | 186 200 | 11 3 | 18 7½ | 21 11 | 16 I | 71 ₂ 61 ₂ | 9½ 17 | Prodestial (*185) | 160 180 200 | 25 | 31 14 55 | 20 | 1 2 17 | 3 5 18 | 5 9 21 | 1900 256 2 | | 292 243 | <u>Arg </u> | b | Jan 2 | Juli 4 | | |
| C 146) | 300 330 360 | 56 32 | 66 44 25 | 76 54 36 | 1½ 7 23 | 5 13 26 | 8 16 | Racal | 300 | 165 | 190 | , .= | Z | 1 | _ | 2000 158 2 2050 108 2 | .80 . .35 | 198 | 260 215 173 132 | 1½ 3 10 | 3½ 5 10 22 | 17 10 16 28 | 9 14 23 | |
| iachury 139) | 220 230 | 16 22 9 | 31 18 | 39 24 | 2 | 4 11 | 28 5 12 | (°484) R.T.Z. | 360 460 | 124 : 70 | 130 65 | 170 141 - | 1 | 1년 3년 3년 | 2 4 - | 2150 29 (2200 9 2250 2 1 | 50 55 515 | 78 55 33 | 100 73 52 | 26 58 108 | 38 65 108 | 48 75 110 | 35 53 78 111 | |
| ell Trans. 102) | 360 | 2½ 26 | 8 60 34 | 15 67 46 | 25 7 | 26 5 12 | 28 7 16 | (9527) Scor. & Keer | 500 550 300 | 30 2 4 | 50 22 23 | 68 38 32 | 2 28 3 | 11 33 20 | 15 38 24 | May 15. Total Calls 19,683 P. FT-SE lader Ca | Contra uts 7, | Kts 7 558 | 7,241 | | | | *** | |
| | | | • | - | _ | | 41 | | | | | | | | | Winderland con- | ه مخلصه | - | | | | | | |

Time runs out for Minorco's Gold Fields bid

By Kenneth Gooding, Mining Correspondent

MINORCO, the South company, last night seemed to have given up hope that its £3.5bn hostile offer for Consoli-dated Gold Fields, the UK dated Gold Fields, the UK diversified mining group, might be saved by way of a bid for Newmont Mining, biggest of the US gold producers. Minorco and some analysts suggested that any bid for Newmont would probably have

Newmont would probably have been announced early yester-day in view of the tight time-

The bid for Gold Fields must either be completed or allowed to lapse by midnight tomor-

However, other observers said there had been a recent flurry of activity which suggested a bid was being assembled for Newmont and that there was still time.

prevents Minorco completing its offer for Gold Fields even though Minorco owns or has acceptances for nearly 55 per cent of the UK group.
Gold Fields owns 49 per cent
of Newmont. Minorco hoped

that, by pledging that stake to a North American bidder, it could persuade the judge that US anti-trust problems had been dispelled and he would lift the injunction which pre-vents Minorco buying any more Gold Fields shares.

but they are being fought by

The judge is expected to give

Gateway 'ghost' attacked

ISOSCELES, the newly-formed company which is waging a £1.73bn bid for Gateway, Britain's third largest food retailer, yesterday renewed its attack on its target's 'phantom share' incentive scheme, questioning both its extent and its cost in the event of success.

Gateway already has a number of conventional share option schemes whereby execu-tives have been granted the right to subscribe for shares

after a certain period.

Phantom schemes differ in that, instead of actually subscribing for shares at the relevant date, the employee is rewarded in cash by the com-pany itself - although whether the bonus is paid still depends of the share price performance. They do not require shareholder approval.

The Gateway scheme was introduced in October, and the company confirmed yesterday that it covers over 250 people. Yesterday, Isosceles said

that the phantom scheme

Jilted shares fall 36p

It is Newmont's application to a New York court which

There were further legal moves in New York yesterday. Minorco hopes they will lead to the injunction being removed Newmont

would appear to involve a direct cash payment by Gate-way to senior executives in the event of a successful takeover, by providing for early exercise at 170p. Half the options become exercisable if the bid is successful at 195p and the full

amount at 220p. Isosceles argues that "it seems clear that the board of Gateway contemplated that an offer could succeed at a price of 195p" - the level at which it has pitched its own bid.

Isosceles is now asking what the cost of the scheme would be if there was a successful bid for Gateway, and why the com-pany felt it necessary to bring in the scheme when it had existing options schemes -unless it believed that existing share options would never have value. It also questioned whether there had been any consultation with the institutional investment protection committees. Last night, Gateway refused to disclose the potential cost of the scheme

tion of assets of US\$0.21 per share.

Any shareholder whose shares are in bearer form and who wishes to attend the General Meetings must

produce a depositary receipt or present his share certifi-cates to gain admission. wishes to be represented at the me

must lodge a proxy, duly completed, together with a depositary receipt at the registered offices of RH at 5, Boulevard de la Foire, Luxembourg, not later than June 5, 1989 at 5.00 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the General Meetings at his address on the register, together with a form of proxy for use at the meetings. The proxy should be lodged at RH's offi-

ب در ده محمول دری از باید بهدور برست

ces in accordance with the above instructions.

banks listed that shares are so held.

wing items will be on the Agenda:

NOTES:

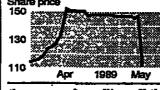
Budgens'

SHARES IN Budgens, the supermarkets group which was left at the altar by William Low, its prospective bid-der, on Friday - plunged 36p to 110p yesterday. Low, which has supermarkets and superstores in Scotland and the

north of England, gained a relieved 17p at 269p. Yesterday, both sides remained tight-lipped about

William Low 270

Budgens Share price



the reasons for calling off the recommended £134m offer. The only explanation ventured on Friday was a joint state-ment that "differences in expectations about the financing for the combined group"
had become apparent.
It seems unlikely that any

further clarification will be offered while the Takeover Panel looks more closely at the reasons why the deal fell apart - a process which is expected to run into next week

However, Mr John Fletcher, Budgens chief executive, said yesterday that he was looking at the feasibility of advancing publication of the group's latest figures.

Budgens has changed its year-end, from the end of December to the end of April. It has published two sets of interim figures to early July 1988 and the end of December, but its last published balance sheet was at end-1987. The 16month figures were to be released in the first part of

Republic Holding S.A. in liquidation

Luxembourg

(Formely Trade Development Bank Holding S.A.)

NOTICE TO SHAREHOLDERS

Notice is hereby given that a first General Meeting of the Shareholders of REPUBLIC HOLDING

S.A. IN LIQUIDATION (RH) will be held in the offices of the Compagnie Fiduciaire, 5 boulevard de

la Foire in Luxembourg on June 6, 1989 at 11.00 a.m.. The following items will be on the Agenda: Liquidators' report on the execution of their mandate and presentation of the Company's accounts for the period January 1, 1986 through April 30, 1989, allowing for a final distribu-

A second General Meeting of the Shareholders of Republic Holding S.A. in liquidation (RH) will be

held in the offices of the Compagnie Fiduciaire in Luxembourg on June 6, 1989 at 2.30 p.m. The follo-

Approval of the liquidation accounts and of the final distribution of assets of US\$ 0.21 per

* Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN (England)

* Banque Internationale à Luxembourg S.A., 2, Boulevard Royal, Luxembourg (Luxembourg)

* Manufacturers Hanover Banque Nordique, 20, Rue de la Ville l'Evêque, 75008 Paris (France)

* Manufacturers Hanover Trust Company, Bockenheimer Landstrasse 51/53, Francford (W. Germany)

* Manufacturers Hanover Trust Company, Bockenneimer Landstrase 51/53, Franciort (W. Germany)

* Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10015 (U.S.A.)

* Republic National Bank of New York, 452 Fifth Avenue, New York, N.Y. 10018 (U.S.A.)

* Republic National Bank of New York, 46 Berkeley Square, London W1 (England)

* Republic National Bank of New York (Luxembourg) S.A., 32, Boulevard Royal, Luxembourg (Luxembourg)

* Republic National Bank of New York (France), 20, Place Vendôme, 75001 Paris (France)

Republic National Bank of New York (Suisse) S.A., 2, Place du Lac, 1211 Geneva 3 (Switzerland)

* Trade Development Bank, 24 Grafton Street, London W1A 2HL (England)

* Paying Agent of Republic Holding S.A. in liquidation

THE COMMITTEE OF LIQUIDATORS

The remittance of the form of proxy will not pre-clude shareholders from attending in person and voting at the meetings if they so desire.

Resolutions regarding point 2 of the Agenda of the 1st Meeting and points 2 and 3 of the Agenda of the 2nd Meeting may be passed by simple majority.

Shareholders may obtain copies of the documenta-

Liquidators' report and statement of accounts for

at the registered office and from any of the banks at the

the liquidation of the Company.

tion listed hereunder:

- Copy of this notice

3. Discharge of the Liquidators and of the Auditors for the execution of their mandate.

2. Election of the Auditors for the period January 1, 1986 through April 30, 1989.

1. Auditors' report for the period January 1, 1986 through April 30, 1989.

'Golden hold-fast' is the key to the maintenance of autonomy

Chillington gains a still-listed AEP

WHEN IS a takeover not a takeover? When the bidder offers to pay shareholders in the target company a special bonus, a "golden hold-fast", not to accept its offer.

This curious and somewhat convoluted financial arrange.

convoluted financial arrangement has been introduced by Chillington Corporation, an engineering, plantation and

engineering, particular trading company.

Chillington is effectively planning to buy out a major investor in Angio-Eastern Planning to buy out a major investor in Angio-Eastern Planning company for tations, a holding company for Indonesian Plantations, and acquire a majority stake in AEP itself without taking full

ownership.

The deal is structured so that AEP will be able to continue operating as an indepen-dent company and retain its

chillington – which in conjunction with REA Holdings, a commodity trader, originally helped set up AEP in April helped set up AEP in April helped set up AEP as 38.5 1985 - currently holds a 38.5 per cent stake in AEP.

For some months, it has been negotiating with REA, which has a 38.9 per cent interest, about AEP's future struc-ture, following the completion of AEP's initial project to

develop the Tasik palm oil estate in Indonesia.

REA had indicated earlier this year that it might make a full takeover bid for AEP but depend this plant of the Chillipse of th dropped this plan after Chil-lington said it would not accept a proposed offer price of

Yesterday Chillington proposed to buy 2.5m AEP shares at 96p apiece. About 2.1m of these shares are to be bought from REA, which has also agreed to sell a further 3.7m shares, mainly to Hong Kong institutions. The effect of these transactions will be to reduce REA's holding in AEP to 4.9 REA's holding in AEP to 4.9 per cent and to increase Chil-

lington's stake to 52.2 per cent. As a result of the increase in Chillington's holding, the com-pany is obliged under Rule 9 of the Takeover Code to make an

offer for the entire share capi-tal of AEP. But in order to ensure AEP's continued inde-pendence as a listed company it is offering AEP's sharehold-ers a special payment of 6p a share to refuse the offer. REA, with its diminished 4.9 per cent interest, and institutions representing a further 31.5 per cent have agreed not to accept the

Mr Konrad Legg, Chillington managing director, said AEP would be run as an independent company specialising in agricultural developments in agricultural developments in Indonesia; following the offer, the majority of AEP's directors will be independent of Chillington. The main advantage of the deal would be to allow institutions to invest in a company which only had interests in the potentially fast-growing Indonesian economy, he said.

Chillington will also ask the board of AEP to make a one-for-five rights issue af 65p per

for five rights issue at 65p per share after the expiry of the offer. This issue will not be

increased prices and a growing market helped Rechem Envi-

ronmental Services, toxic

waste disposal group, nearly double pre-tax profits from 24.51m to 28.75m in the year to

Rechem profit near

doubled to £8.75m

capacity,

underwritten but Chillington and other institutional investors have agreed to subscribe for their full entitlements, rep-

resenting 85 per cent.
After the completion of this proposed deal, AEP will be given the opportunity to buy Chillington's Javanese plantation interests, subject to the approval of AEP's independent shareholders.

AEP said yesterday it was seeking independent advice about these proposals and would write to shareholders with its recommendations in

due course.

• REA also announced yester day that it was to acquire Wig-glesworth, a natural-fibre trading company with interests in Africa, for £3.75m acquisition. It may use part of the money raised from the sale of the bulk of its holding in AEP to finance this deal, but REA has also said that it intended to reinvest some of the proceeds in plantation operations in

such as the storm over the

deadly Karin B cargo, have highlighted the value of a com-

pany able to deal safely with poisonous waste. This height-

ened awareness - soon to be

ened awareness. Soon to be enforced by legislation - has resulted in more companies opting for incineration rather than risking the potential long-term dangers of burying noxious material in the ground. At the same time, tougher environmental legislation will raise the barriers to

tion will raise the barriers to entry, making any erosion of margins unlikely. For all these

reasons, it is perhaps not

suprising that Rechem's shares

have enjoyed a seemingly inex-

orable rise from the placing

New York advertising agency's independence.

If Ogilvy accepts the latest offer from the UK marketing group, the merger would create a group vying with Saatchi & Saatchi as the world's largest supplier of advertising and related services.

WPP is believed to be offering about \$54 to \$55 per share, valuing Ogilvy at ap to \$888m. Ogilvy had been fiercely opposed to a takeover when WPP made its initial offer of \$45 per share two weeks ago.

\$45 per share two weeks ago. Its defence, at least publicly, mostly involved caustic com-ments by Mr David Ogilvy, the group's 77-year-old founder, about Mr Martin Sorrell, WPP

Ogilvy board

meets to

WPP offer

By Roderick Oram in New

AFTER WRINGING an

AFTER WKINGING an improved takeover offer and promises of autonomy from WPP, the board of Ogilvy Group met yesterday afternoon to vote on giving up the New York advertising agency's independent.

vote on

chief executive. The two men met over din ner Sunday evening amid signs that Mr Sorrell was turn-ing his full persuasive powers on one of Madison Avenue's

most famous innovators.
Mr Sorrell also promised according to executives familiar with weekend negotiations, to retain Ogilvy's present management and keep the group separate from J Walter Thomason the advertising Thompson, the advertising agency won by WPP following a hostile takeover in 1987.

 As the prospect of a recommended offer for Ogilvy from WPP grew nearer, moves to get the funding for the bid in place were yesterday under-way in London, writes Nikki Under half the acquisition

price is expected to come from an issue of convertible prefer-ence shares, and attempts were in progress to form a "core group" of investors to take a substantial part of the

Somewhere between a dozen and twenty institutions are believed to have been approached and although legal commitments have not been given, one adviser described the group as "ready to go at short notice."

Expansion benefits help lift Kunick to £3.34m

By Clare Pearson

KUNICK, the USM-quoted health care and leisure group, lifted pre-tax profits by 78 per cent to £3.34m in the half-year to end-March as benefits of big projects begun in 1988 worked through. Earnings per share were 50 per cent higher at 1.92p, up from 1.28p.

The results were lifted by

expansion of Goldsborough, the retirement and nursing homes division, as well as installations of Music Master, the compact disc jukebox,

which got going in the second six months last year.

At Goldsborough, operating profits rose to £750,000 (£300,000). Fee income from home services increased by a third compared with the com-

parable period.

The first phase of the company's only sheltered housing development should come on sale later in the year

Music Hire in the UK made £1.4m (£900,000) while Amiro, French amusement

machine importer and distributor, increased operating profits to £750,000 (£400,000) marking a recovery after the uncertain environment of the French

Visitor attractions, compris-ing the London and York dungeons, pushed operating profits up to £350,000 (£200,000). Amiro earlier this month bought Players Special Diffu-sion for up to £2.88m. The com-pany has the sole French rights to distribute pinball

tables for Williams.
Turnover came to £25.48m
(£18.47m). Central charges were £100,000: these are expec-ted to be covered by property profits in the second half. The interim dividend is fixed at 0.5p (0.4p).

COMMENT Kunick, which works on the

principal that the leisure side throws up the cash to develop the care division, continues to inspire confidence. There should be lots more growth to come from the main activities over the next year or so, with the Goldsborough nursing home complex in Kensington coming on stream in 1990 while Amiro is poised to benefit from the introduction of Music Hire products in Europe, France may indeed prove an increas ing focus of attention for the group following the Players purchase and in the light of plans, as yet unrealised, to develop a nursing home opera-tion there. Assuming pre-tax profits this year are about £8m the shares stand on a p/e of about 13, but for a company that is, in Music Hire, achiev ing growth where the industry overall is flat, and whose prof-its are increasingly derived from nursing homes, the rating

is not demanding.

March 31. The result exceeded market expectations and the shares rose 32p to 566p. Sales increased by 45.5 per cent to £19.47m (£13.38m). Net margins improved from 33.7 per cent to 44.9 per cent as a

ENLARGED

result of a 15 per cent price increase and a shift towards more profitable business. The results reflect a full year's benefit from the installation of new gas scrubbing plant at the Pontypool site in October 1987, which increased capacity, particularly for the incineration of highly chlori-

nated waste. Mr Malcoln Lee, managing director, said that the company had obtained verbal permission to build an incinerator complex at a site within the Euro pean Community, at a cost of £20m.

Capital expenditure is expec ted to run at £12.5m next year and £30m over the next three years. Rechem has nearly completed the expansion of its solids processing capacity at Pon-typool. It has also approved plans to improve the efficiency of its Fawley plant at a cost of

Earnings per share increased by 90.8 per cent to 21.46p (11.25p). A final dividend of 6p (3p) was declared.

Rechem's first year on the stockmarket has been a momentous one. The intensified concern for the environ-ment, resulting from incidents

orable rise from the placing price of 195p to close yesterday at 566p. Assuming pre-tax profits of £11.5m this year, that puts it on a p/e of 20 which, though demanding, is probably deserved by one of the purest environmental plays on the

DIVIDENDS ANNOUNCED Current Date of ponding payment payment dividend Cakebread Robey ...fin 1∳ 2.2 9★ 2.5‡ Crystalate Ho Govett Am E 15.75**‡**

July 10 Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. fOn capital increased by rights and/or acquisition issues. SUSM stock. SSUnquoted stock. Third market, AUS cents, For period May 9 1988 to March 31 1989. AFinal of



NOTICE OF REDEMPTION to the holders of the

£500,000,000 FLOATING RATE NOTES 1991 (the "Noteholders" and the "Notes" respectively)

ABBEY NATIONAL BUILDING SOCIETY (the "Society")

NOTICE IS HEREBY GIVEN TO THE NOTEHOLDERS PURSUANT TO CONDITION 5(c) OF THE NOTES:—

(i) that the Society has notified The Law Debenture Trust Corporation p.l.c., the trustee for the Noteholders, that the Society has entered into a transfer agreement for the purposes of Section 97 of the Building Societies Act 1986;

(ii) that the Society will redeem all of the Notes at their principal amount on 21 June, 1989 (being the next Interest Payment Date).

The Notes may be presented for redemption to any of the Paying Agents specified below. Each Note presented for redemption should be presented together

with all unmatured Coupons appartaining thereto. Unmatured Coupons due after 21 June, 1989 will become void (whether or not attached to the relative Note) and no payment shall be made in

Payments of principal in respect of the Notes will be made on or after 21 June, 1989 against presentation and surrender of Notes in pounds sterling by a sterling cheque drawn on a Town Clearing Branch of, or transfer to a sterling account maintained by the payes with, a bank in the City of London, subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 of the Notes. Coupons due on 21 June, 1989 should be presented and surrendered for payment in the usual manner. Subject to the Conditions of the Notes, interest shall cause to

accrue on the Notes from 21 June, 1989.

Notes and Coupons will become void unless presented for payment within a period of 10 years in the case of Notes and 5 years in the case of Coupons from the relevant date (as defined in Condition 8 of the Notes) relating thereto.

> **PAYING AGENTS** The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street London EC2P 2HD.

Chase Manhattan Bank Luxembourg S.A., Luxembourg-Grund.

Lambert S.A., Avenue Marnby 24.

ABBEY NATIONAL BUILDING SOCIETY

US. \$150,000,000

First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1996

Interest Rate

101/16% per annum

16th May 1989

16th August 1989

Interest Period

interest Amount per U.S. \$50,000 Note due 16th August 1989

> Credit Suisse First Boston Limited Agent Bank

> > US \$250,000,000



BANK OF BOSTON CORPORATION Subordinated

Floating Rate Notes Due 2001

Interest Rate

Issued 10th February 1986

Interest Period

16th May 1989

interest Amount per U.S. \$50,000 Note due

16th August 1989. U.S. \$1,285.76

Credit Suisse First Boston Limited

101/16% per annum 16th August 1989

国和阿尔斯中国

UK COMPANY NEWS

Traumatic year closes chapter in saga of Lee Cooper's parent

Vivat Holdings plunges £12.7m into the red

ils y boan

e on

troubled leisurewear group which is best known for its Lee Cooper jeans, crashed from pre-tax profits of £3.27m in 1987 into losses of £12.68m in 1988.

The announcement ends a

traumatic year for Vivat in which it experienced a boardroom revolt — culminating in the resignation of Lord Marsh as chairman - and an unsuccesaful takeover approach.

Vivat is now nearing the end of a radical reorganisation of

This has involved the closure of Lee Cooper's four jeans factories in France and the disposal of a loss-making retail business in the UK.

BPP HOLDINGS, the financial

training, private education and publishing group, is to buy Language School Holdings — which trades as Linguarama — from Summer International,

the training and education

company. BPP will pay an initial £8.1m

cash for Linguarama, which provides intensive language courses for executives at a cost

to employers of more than £1,000 a week. The company intends to fund the initial pay-ment, £1.5m of which will

repay borrowings from Sum-

mer, with a share placing. Summer bought Linguarama

last July for a maximum £6.95m, and the business con-tributed more than half of

Summer's pre-tax profits of

£1.01m for the six months to

The company was

approached by several groups

VIVAT HOLDINGS, the The cost of restructuring is \$10.71m - came from busi- provide 75 per cent of group expressed as an extraordinary item of £8.1m. Mr Michael Cooper, who has

taken over as chairman and is the grandson of the company's founder, said the group had "redressed the bruising we took in 1968" and "hoped to take a few small steps forward

Group turnover fell to £123.74m (£145.73m) in the year to December 31. It made losses per share of 30p (earnings of 5.5ip).

The board has decided not to issue a final dividend. Vivat's shares fell by 7p to 67p yesterday.

day.

The bulk of Vivat's losses – Lee Cooper, which should

part of Mr Robert Maxwell's Pergamon Group, and which owns the Berlitz chain of lan-

guage centres.
"If we were ICI we wouldn't sell Linguarama, because it's a fabulous business," Mr David

Sinclair, Summer chairman, said vesterday. But we have to get the best return within

our resources and the sale will give us a better, stronger and more successful company a

year down the line."

The deal with HPP, which was tabled and agreed within two weeks, could earn Summer

up to £18m in cash or shares, if Linguarama meets certain stiff profit targets. The proceeds will be used for further expan-

The parent company has

Summer's interim results

guaranteed pre-tax profits of at least £900,000 at Linguarama in

BPP acquires Linguarama

from Summer International

nesses that have since been sold or closed, including the UK retail business which lost over £6m before its sale in November. Vivat has also withdrawn from the wholesaling of its FU's jeans brand in main-land Europe and has closed Platini, its fledgeling sportswear venture. It intends to sell Wooz, a chain of five shops in

The reorganisation of its remaining interests will be completed by the end of June. The group's workforce will then have been reduced from 2,500 at its peak in early 1988 to about 1,200 today.

months and beat the compa-

ny's profits forecast in January by £392,000. The figures

included a £396,000 exceptional

profit on a property sale - already accounted for in the

forecast - and generated earn-

ings per share of 5.3p.

Preference dividends were

delayed in February because of

a deficit in distributable reserves, but Summer expects the High Court to approve a

capital reduction within the next four or five weeks, allow-

ing preference payments to

resume. Ordinary shareholders will then receive an interim dividend of at least

BPP is also buying a 67.7 per cent stake in Markus Verbeek, a Netherlands accoun-

tancy training company, for an initial F1 14.5m (£1.25m). A fur-ther F1 600,000 depends on prof-

its and BPP has an option over

sales this year, is now run from new headquarters on the outskirts of Paris. The last of the four Lee Cooper factories closed last month.

Vivat will now source 50 per cent of the leans from its sole surviving plant in Tunisia and the rest from sub-contractors, chiefly in south-east Asia.

The rest of the remaining group is divided into four divisions: Otto Albert, a West German fashion company; Botos, a chain of casualwear shops in Spain; the FU's jeans brand in the UK; and Calpi, a small French men's underwear busi-

At the year-end, Vivat's bor-

rowings had risen to £18m on net assets of £21.5m. The level of borrowings should be reduced to £12m by the end of

Mr Cooper said Vivat's continuing activities, which made a pre-tax loss of £1.97m in 1988. had operated at a loss - albeit at a lower level - in the first half of 1989. He attributed this to the fact that the early spring Lee Cooper deliveries had been sourced from the old French plants.

He expected the group to move into profit in the second half - after the restructuring was completed - thereby breaking even for the full financial year.

GrandMet S.American disposals

Pillsbury, the US food group acquired by Grand Metropolical Chief executive of Pillsbury, said the interests did not fit and Pillsburge long term stratfood processing interests in Central and South America. into Pillsbury's long-term strategy. Since GrandMet made its The businesses include wholly-owned flour and pasta subsidiaries in Venezuela, dry groceries in Guatemala and a

\$5.8bn acquisition of Pillsburyit has embarked on internal cost-cutting and selling of busiminority holding in a flour mill in El Salvador. nesses, including Bennigens steak houses.

SHARE STAKES

Changes in company share stakes announced recently Polly Peck: Mr Asil Nadir,

director, purchased 3m ordi-nary at 312p, lifting his interest to 59.11m (24.09 per cent). Arneliffe Holdings: John Govett and Company now hold 1.72m ordinary (34.42 per cent).

Eagle Trust: Coast Investment and Development Com-pany PSC, Kuwait, Eagle Trust's parent, has sold 100,000 Eagle Trust shares at 16 3/4p on behalf of discretionary cli-

ents. The Group's total holding

is 45.79m ordinary (6.01 per Bullers: Gamlestaden has acquired a total of 1.02m ordinary, giving it 6.5 per cent. Henry Barrett: 3I now has a

total holding of 2.35m (6.3 per cent) registered in the name of 3I and Southbank Securities. Jones and Shipman: The trustees of the T.S.Shipman Charitable Trust have sold 25,000 Jones and Shipman ordinary at 140p and now hold 1.54m ordinary (13.05 per cent).

Black urges | Holmes & Marchant acceptance of Lambert offer

By John Thornhill

PETER BLACK has again written to Lambert Howarth's ing consultancy group, from £1.9m to £3.2m for the six shareholders urging them to accept its offer for the footmonths to March 31, an increase of 68 per cent.

Turnover more than doubled

wear and luggage group.

Today marks the first close of the offer, which values Lam-

bert at £8.76m. The letter from Mr Thomas Black and Mr Gordon Black, joint chairmen of the consumer goods manufacturer and distributor, states that Lambert's defence document "does not attempt to deny the clear commercial advantages of a merger and fails to pres-ent any coherent trading strat-egy for Lambert Howarth's

future development as an inde-pendent entity".

Lambert's defence docu-ment, published on May 5, entitled Don't Make It a Black Day for Lambert Howarth, strongly advised shareholders to reject the "wholly inade-quate and totally unacceptable bid."

Peter Black's share price has dropped from the 170p prevail-ing when it made the offer to 145p yesterday. Its offer of one share and 320p cash for every three Lambert shares now values the latter's shares at about 155p apiece. Yesterday, Lambert shares closed up 2p at

193p. Mr Gordon Black yesterday said: "We are sorry our share price has gone down but are confident it will recover. The commercial logic of the

offer is as strong as ever." Mr Martin Jourdan, Lambert Howarth chairman, had no comment to make on Peter Black's letter but said he had promised to make a profit forecast for the 1989 financial year by no later than June 3.

THE THE TRANSPORT OF THE THE TRANSPORT OF THE TRANSPORT O

advances to £3.2m with aid of Catalyst BUOYANT MARKETS and its mended purchase of Catalyst

largest acquisition to date

boosted pre-tax profits at Holmes & Marchant, market-

The issue of shares to finance the purchase of Cata-

lyst Communications restricted

earnings per share to 12.7p, a rise of only 15 per cent.

(2.45p).
According to Mr John

Holmes, chairman, the design division was again the princi-pal engine of growth.

It contributed around 50 per cent of operating profits on around a third of

The sales promotion division

benefited from the acquisition of Catalyst. This was com-

pleted at the end of August 1988 and added around £850,000 to overall profits.

Mr Holmes said the company

had been restructured.

Moves included the disposal

of the loss-making US subsid-

iary PharmaDesign, and the merging of Catalyst's PR and

design operations with Holmes'

existing businesses.
Solid growth was also

recorded in the public relations

and specialist advertising divi-sion which accounts for just

under a quarter of earnings.
All of the divisions saw oper-

ating profits increase by about

Holmes' current strategy

involves developing the

smaller divisions so that each

of the three business areas con-

tributes around a third of prof-

This was partly the justifica-

tion behind the £13m recom-

20 per cent.

The interim dividend is 3p

from £12.28m to £29.71m.

being able to offer clients a complete range of design and marketing services. The current approach also involves further acquisitions,

and reflects a broader goal of

with an eye to expanding in Europe.
At the beginning of April the group bought a 75 per cent stake in Consultores de Comunicación y Dirección, a

Spanish communications con-

COMMENT

The most important feature in Holmes' solid results is that Catalyst has been added to the compound without provoking a nasty reaction. The city's ini-tial misgivings - which sent shares diving - have consequently been confounded and the new business seems set to add about £2m in profits for the year as a whole. Markets for all three divisions continue strong and the patential base strong and the potential bene-fit of developing a complete service for the large end of the corporate sector is evident in the recent contracts from CMB Packaging. In the current year, the accumulation of deferred debt means that interest payments will exceed £700,000. providing a ceiling for earnings. However, pre-tax profits should still reach £7.6m, putting shares on a prospective multi-ple of slightly over 8. The discount to the sector which this implies reflects lingering market suspicions about the new company and the fact that some of its former direc-tors still have shares to unload. Nevertheless, as Catalyst starts to fizz the rating should improve — suggesting that the shares are reasonable value at the current

compared with a loss of the outstanding shares in the £225,000 in the previous six Dutch company. interested in buying the busi-ness, including Macmillan,

GKN: Annual meeting told SYLTONE, the supplier of that, despite the slowdown in some national economies, business was good. Mr David Lees, chairman, said that the company's results for the first four months of 1989 were ahead of the corresponding period last time, and that, on the whole, current demand remained

strong. HAZLEWOOD FOODS has sold-Crystallised Confections (Tip Top) for an undisclosed cash consideration. MB GROUP: Junction Nomimanaged by Mercury

increased its holding from 3.9 per cent to 5.31 per cent, or MICROGEN HOLDINGS has acquired Laser Image, a Car-diff-based laser printing business, for about £300,000.

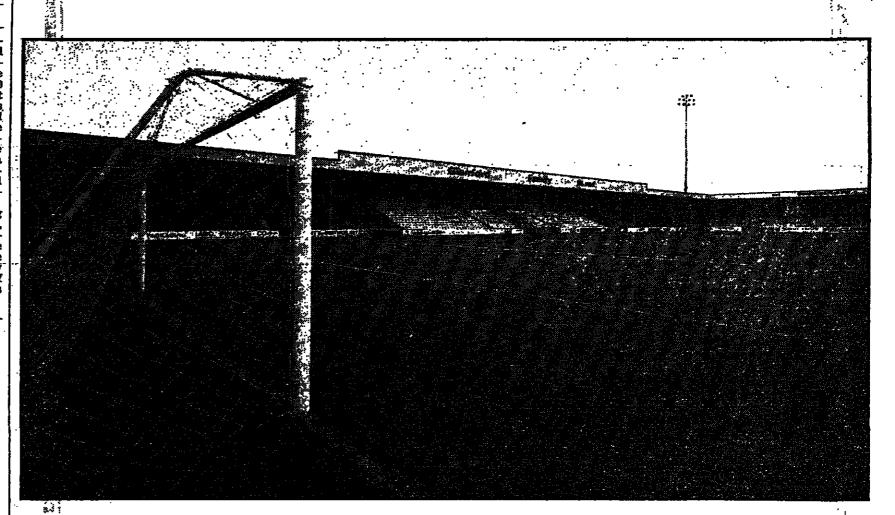
Asset Management, has

COMPANY NEWS IN BRIEF ancillary equipment to the international transporation industry, has acquired 75 per cent of Madrid-based Talleres Flag for Pta 52.5m (£267,000). Flag's principal activities include the distribution, sale and installation of Syltone's drum engineering products.
VISTEC GROUP is paying a

total 22m to acquire 01 Com-pater Group (UK), which sup-plies and installs business computer systems, peripherals and the year ended March 31 1988 ternover was £5.26m and preprofit £161,000; a trading vear. Initial consideration is 4.58m are being placed with

YORKSHIRE BUILDING Socilarger mortgage called Mort-gage Premier on May 15. The minimum loan will be £50,000 and interest will be charged at 0.8 per cent below the Society's base rate. The discount will apply to the first year oif the mortgage after which the mortgage transfers to the base interest rate. The maximum loan with be 85 per cent of purchase price or valuation and loans are available for residen-

WILLIS FABER is paying £1.1m for Durant Wood, ker. About 90 per cent of the consideration, payable in three instalments, will be met by shares. First payment of £440,000 will be 153,694 shares and £100.320 cash.



Built by Birse, the first new football stadium in 40 years

The first all new football stadium to be built in Britain for 40 years was designed and built by Birse for Scunthorpe United Football Club and opened for the new season in August 1988.

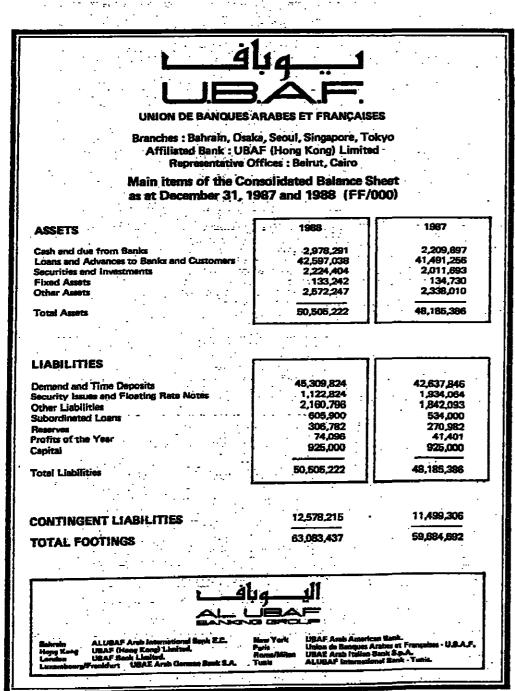
The stadium was designed in-house by Birse to comply with the recommendations of the recent "Guide to Safety at Sportsgrounds" and typifies our dedication to improving the quality of construction.

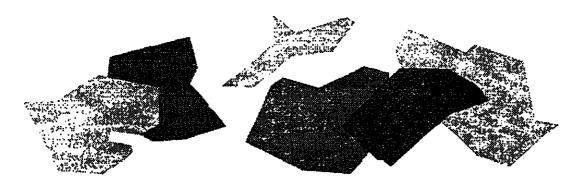
AND THE RESERVE TO THE PARTY OF THE PARTY THE

Other Birse projects include motorways, bridges, superstores, factories, docks, jetties, waterworks, railways, private housing and property

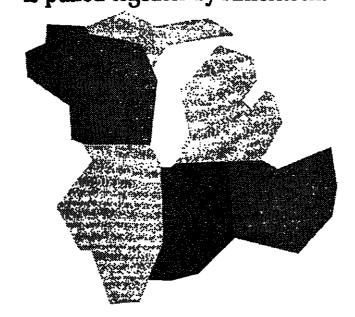
Birse success has been built on the recruitment, training and development of high quality management, and is demonstrated by the rise in group turnover from £1m in 1976 to approximately £185m in 1989.







is pulled together by Ameritech.



One region of the country is home to the top three automakers. The top two retailers. Over 6,000 financial institutions The nation's busiest airport. And 15 million voice and data lines. One region has more newspapers, more computer sites and more Fortune 500 companies.

One company moves the information for the most information-intense region of the country. Ameritech. A force in communications. A leader in the Midwest. And a solid financial performer. Since Ameritech stock began trading, it has generated a total return to shareowners that has outperformed the market by two to one. A compound annual growth rate of 25 percent.

During its first five years, Ameritech led all other regional holding companies in return-to-equity, steadily increasing to 15.8% last year. Growth in earnings per share and dividends has averaged nearly 8 percent.

To find out why Ameritech continues its healthy financial performance, call Brussels, Belgium (32 2) 512-0040 for our Annual Report. Or write Director-Investor Relations, Ameritech, 30 S. Wacker Dr., R3500, Chicago, IL 60606, U.S.A., or call U.S.A. 312/750-5353.

MMERITECH

-HOTEL MERIDIEN SINGAPORE-

At the crossroads of the world, all the signs point to Orchard Road and Le Meridien Singapore.

Conveniently located on Orchard Road in the heart of the city. Le Meridien offers a banquet of facilities for sensuous relaxation or serious business: "Le Club Président" Executive Floor, meeting rooms for up to 350 people, business centre with China Trade Desk. Fitness centre, health club, and swimming pool. Le Restaurant de France or an informal café. Indonesian cuisine or cocktails in the piano bar. Whatever your business or pleasure, you'll find it at Le Meridien. The very soul of France in the very heart of



TRAVEL COMPANION OF AIR FRANCE

Information and reservations in Paris: 1/42 56 01 01, London: 1/439 27 44, Frankfurt: 69/23 92 15, Milan: 2/76 00 95 12. Le Meridien Singapore - 100 Orchard Road - Singapore 0923 Tel: 65/733 88 55 - Telex: 50163



Compagnie Générale d'Électricité

At its April 20, 1989 meeting chaired by Pierre SUARD, the Board of Directors of Compagnie Générale d'Electricité (CGE) approved the plan for mergers of the Company with its subsidiaries Alsthom (which will become a holding company as a result of the combination of its operations with the power systems activities of UK-based GEC) and Compagnie Financière Alcatei. These mergers will be submitted for approval at the General Meeting of Shareholders on June 20, 1989 at 2:30 p.m. at the Théâtre de l'Empire

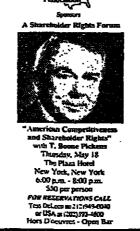
CGE MERGER WITH ALSTHOM AND COMPAGNIE FINANCIÈRE ALCATEL

in Paris. Pursuant to the consent of the General Shareholders' Meeting, and to that of the Alsthom and and to that of the Aisthorn and Compagnie Financière Alcatel Share-holders' Meetings, the mergers will become effective retroactive to January 1, 1989. Subsequently, the shareholders of Aisthorn and Compagnie Financière Alcatel will become CGE shareholders by receiv-

become CGE shares for 5 Alsthom shares and 7 CGE shares for 1 Compagnie Financiere Alcatel share. The Board has established these parities, relying upon four criteria: market price, revalued net assets per share, yield and net Income per share. The court-appointed appraisers for the mergers were designated on April 4, 1989 and will report their conclusions to the General Meeting on June 20, 1989. These mergers will lead to the creation of some 25 million CGE shares bearing dividends retroactive to January 1, 1989. Considering the strengthening of CGE's financial structure which will result from these mergers, most notably the positive effect upon consolidated net income, the dilution of capital by a third will pot effect upon consolidated net income, the dilution of capital by a third will not affect the expected increase in earnings per share in 1989. In addition, the Board will propose that the Meeting renew or extend its authoriza-

of Société de Banque Suisse, and Jean PEYRELEVADE, Chairman of UAP, to the two positions thus created and additionally, to renew the terms of office of Messrs. Frank DRENDEL, Jacques GUERENDEL, René LAMY, Guy VERDEIL as boardmembers.





Harrisons & Crosfield plc £75,000,000 7% per cent. Subordinated Convertible Bonds Due 2003 Adjustment of Conversion Price

Adjustment of Conversion Price
Notice is hereby given that, following the sub-division of each of the
Ordinary Shares of £1 each of Harrisons & Crosfield plc into four
ordinary Shares of £5p each (pursuant to an Ordinary Resolution of
the Extraordinary General Meeting
on 4th April, 1989), the Conversion
price of the Convertible Bonds has,
in accordance with the Trust Deed
dated 14th July, 1988, been adjusted
from 710p to 177p, with effect from
17th April, 1989.

ly: The Chase Manhattan Bank, N.A Principal Paying and

UK COMPANY NEWS

Pilkington buys European contact lens arm for \$35m

By Ian Hamilton Fazey, Northern Correspondent

PILKINGTON, the diversified frax glass manufacturing group, has bought CooperVision's work has bought CooperVision's
European contact lens business from Cooper Companies of
the US for \$35m (£21m).

The deal fills a gap for Pilkington, glving it contact lens
factories in the UK, France and
West Germany, as well as a
substantial share of the European market, where it will
rank second to Cibavision.

The CooperVision busi-

The CooperVision busi-nesses, with annual sales of £20m, add the Permaflex and Permalens brands to the Pilkington Visioncare range of Hydrocurve, Polycon and Dif-

Pilkington Visioncare's worldwide sales of plastic and glass spectacle lenses, contact lenses and associated products are worth more than £270m, but European contact lens sales amount to only about

Mr John Heine, chief execu-

tive of Pilkington Visioncare, said yesterday: "This acquisi-tion in advance of 1992 means

that Europe will now represent more than 20 per cent of our total worldwide sales." He added that European

in a market expanding at 5 per cent a year and where there has recently been rapid consol-idation. The company also expects to export lenses to the

US.

The acquisition brings a high-volume factory in South-ampton which has moulding technology complementary to Pikington's lathing capability in the US. This will provide flexibility to meet differing market needs for particular products.

Other manufacturing plants

for hard and gas-permeable
lenses — are located in Manchester, Munich and Paris.

Bremner urged to seek better price for sale of Glasgow store

By Clay Harris

MR JAMES ROWLAND-JONES, former chairman of Bremner and persistent gadfly to its current board, is urging the Scottish property and stockbroking company to obtain a price exceeding £3m for its Glasgow department

store site.

Bremner has already agreed, subject to approval by shareholders at an extraordinary general meeting, to sell the property for £2.5m to What eryone Wants, a Scottish

clothing retailer. However, Mr Rowland-Jones, speaking on behalf of more than 20 per cent of Bremner's shares, has put forward a motion for the egm instructing the directors to seek a price of more than £3m, either by out-right sale or by a joint develop-

"We are firmly of the opin-ion that the additional resolu-tion would not only find favour with Bremner shareholders but could also be easily accom-plished by expert negotiation," Mr Rowland-Jones said in a let-

He continued: "I appreciate that the Brenner board may have got themselves into an invidious position by lack of experience and may well have committed themselves either morally or contractually to vote in favour of the £2.5m sale, but that is no reason why the rest of the Bremner share-holders should suffer when a simple remedy is at hand."

Mr Rowland-Jones is also

requesting that the individual views of each Bremner director he spelt out in the circular for the egm, the date for which

has not yet been set.

Mr Dennis McGuinness,
Bremner chairman, said yesterday that Mr Rowland Jones's letter had only just been received and the board would need time to consider its con-tents. Mr Rowland-Jones has tried unsuccessfully several times to oust Mr McGuinness and some of his board col-

Last week, Mr McGuinness said he would resign as chair-man within three months, man within three months, although he would remain on the board. The imminent retirement or resignation of five other directors was also announced. When they take effect, Bremner will have only four directors, excluding Mr McGuinness's eventual successor as chairman if he comes

Faupel placing to raise £2.8m

FAUPEL, IMPORTER of textiles from China, plans to join the Unlisted Securities Market later this month in a placing that will capitalise it at

The placing, sponsored by Hill Samuel, will raise about \$2.8m. Lawrence Prust is act-Faupel started trading with China in the 1920s, when it imported embroidered lace into

the UK.

Its trading links were weakened as a result of the establic in 1949, but were reforged in

In 1957 it negotiated an exclusive UK sales agency for the supply of Chinese cotton greycloth and yarns with Chin-

trading agreements through the REC/China Trade Agreement, of 1978, the company shifted its emphasis to garment sales.

The board claims that 81 years of experience of trading with China helps source goods to high specifications from individual provinces.

The company also acts as agent on a commission basis for 33 Chinese suppliers of cot-ton greycloth, yarns and other textiles and imports household

ater, the official body responsi-ble for improving trading links bed linen, table linen and cro-After the formalisation of chet goods. chet goods.

Although goods imported from China account for 90 per

cent of business, the company also imports cotton goods from India and household textiles

Its customers are wholesal-ers, mail order buyers and retailers such as Harrods, Selfridges and the John Lewis

Low-fashion garments, including shirts, trousers, jackets, knitwear, nightwear and accessories, account for three quarters of sales.

The company said that injects and the said that injects are said that injects and the said that injects are said that injects and the said that injects are said that injects and the said that injects are said that injects and the said that injects are said that in

The company said that initially it planned to reduce borrowings. Later, it would seek acquisitions that would broaden its distribution base.

SAC Intl Parkway doubles profit slips at the and sees further growth

PARKWAY GROUP, the international press production concern which in March won the award for USM Company of the Year, more than doubled its profits in the six months to March 31.

**Expected to see continued strong organic growth. He added that he was pleased by the cross-fertilisation of businesses and the transfers of technology that had both continued to the period's excellent formers.

The group made £3.73m (£1.58m) pre-tax and this result was achieved on turnover which soared from £11.47m to £45.62m. Earnings moved up 17 per

cent to 7.6p (6.5p), and the interim dividend is raised 25 per cent to 1.25p.
Mr John McKimmie, chairman, said that as the newer

Parkway companies were inte-grated into the group, he

ADDISON CONSULTANCY:

Motivaction has acquired a fur-ther 150,000 ordinary shares

taking its holding to 14.2m

(23.8 per cent). AVONMORE FOODS has

reached agreement for the acquisition of a majority inter-

est in Northern Ireland-based Glen Mills Dairy. The net assets being acquired amount to around 1£536,000 (£450,000) and the consideration will

include some 500,000 A ordi-

BEACON GROUP has acquired

High Speed Production for a consideration of \$1.42m to be satisfied by the issue of 1.67m

ordinary shares and 520,753 new convertible participating

preferred ordinary shares. High Speed is a designer and

manufacturer of precision metal pressings and assemblies

for manufacturers of compo-

nents, business machines and

other users of pressed metal

CCA PUBLICATIONS: HTV

has received valid acceptances

in respect of 11.02m CCA shares (99.68 per cent). The rec-ommended offer has been declared unconditional in all

respects and the loan note

alternative will remain open

until further notice. Elections

for the partial share alterna-tive have been made in respect of 5.22m new HTV shares, the maximum number of such

shares to be issued under the

alternative.

lent figures.

Continuing its acquisition programme, Parkway also announced the purchase of Highlight, a New York colour laboratory, for an initial \$3.04m (£1.85m) in cash and shares. In line with its expansion policy in the US and Europe, the group reported the immi-nent major reorganisation

of its management struc-

CONTROL TECHNIQUES has

acquired Anglicon Group, designer and maker of instru-

mentation for temperature and

process control markets, for an

mitial £650,000 in shares, with

a further amount payable to maximum £950,000.

COOKSON GROUP has bought the Tele-trading Group, Dor-set-based scrap processing con-cern. The transaction is not

significant to the net assets of the company. CRH, Dublin-based building

materials group, seeking US listing for its shares on Nas-daq. At present, CRH shares are listed in Dublin and Lon-

don. DRG, the stationery, packaging

and office equipment group, is buying Lawrence Photo-

Graphic of Kansas City, Missouri, for \$5m (\$3.04m). Lawrence is a print and graphic supplies business.

ELSWICK, the manufacturer of

specialist engineering products

and packaging, is to acquire

Locke Manufacturing of Con-necticut for \$400,000 (£243,000).

Locke makes a range of cylin-

der mowers for the profes-

ESTATES & GENERAL Invest-

ments and Sun Alliance Group Properties have submitted an outline planning application for a 400,000 sq ft retail com-plex in Uxbridge High Street. The development will have a

completed investment value of

sional market.

COMPANY NEWS IN BRIEF

halfway stage to £1.36m

Pre-tax profits at SAC International, the USM-quoted engineering design consultant, fell from £1.77m to £1.36m in the six-month period to Febru-ary 28 1989.

This figure was struck after exceptional debits of £19,000 (£151,000) and came from turn-over reduced by 7 per cent from £21.13m to £19.64m.

Interest payable rose to 2265,000 (2224,000) and, after tax of £500,000 (£644,000), earnings per 10p share were 4.12p (5.49p).

The interim dividend is

The interim dividend is unchanged at 1.5p.
SAC's profits last year slumped to £2.02m following a £1.3m downturn in its design services division.
Mr Roger Smedley, chairman, said that management actions to consolidate the group's position during the

actions to consolidate the group's position during the final quarter were resulting in an encouraging recovery in the group's profitability.

Sales in the second quarter of the current year had improved by some 8 per cent above the first quarter, suggesting that business volumes were increasing, he maintained.

Warner Howard up 31% to £4.2m

By John Thornhill

THE FIRST full year's THE FIRST full year's contribution from an acquisition and improved profit margins helped Warner Howard Group, the supplier of commercial laundry systems and warm air hand dryers, increase pre-tax profits by 31 per cent to £4.24m in the year to February 28, up from the previous £3.25m.

previous £3.25m.

The result was much in line with City expectations and the shares eased 2p to 215p on the

announcement.

Turnover rose to £14.93m
(£12.86m), an increase of 16
per cent. A proposed final dividend of 2.45p makes 3.75p (3p)
for the year. Undiluted earnings per share advanced from 9.66p to 12.55p.

Mr Ronnie Hooker, chairman, said the increased turnover was due to the introduction of new models and a higher-than-expected return

higher-than-expected return from Automations, a laundry equipment supplier purchased in December 1987. Automa-tions contributed £750,000 to turnover and £260,000 to

Higher levels of productivity were achieved throughout the group and pre-tax profit mar-

gins rose from 25 per cent to 28 per cent, he said. The group now operates from six service centres and rents and sells its equipment to over 10,000 customers.

The first two months of

trading in the current year were in line with budget, and Mr Hooker said he was confident this trend would continue for the rest of the year. "There is no reason to believe that this company's growth will not continue," he said.

The company is planning to expand further by acquisition and is currently looking at

Bermuda Star disposes of its cruise business By Nikki Tait

Bermuda Star Line, the US-quoted company in which Norex, the UK insurance and shipping group, holds a 59 per cent stake, has sold its cruise business to Rederi Effjohn for a better than expected price. Mr Kristian Siem, Norex the main reason for the increased figure was a higher consideration for commissions on future bookings. The price, according to Norex, is nearly

£2m more than first thought. The sale to Rederl Effjohn, owned jointly by Johnson Line of Sweden and the Finnish Effoa company, comprises BSL's cruise business and two cruise ships — SS Bermuda Star and Queen of Bermuda — and was first announced in late-March. Norex owns 50 per cent of the two ships.

Yesterday, Norex said that the combined sale had eliminated group debt and left it with net cash proceeds of about £8.7m.

BLP offer is 45% taken up

BLP Group open offer taken BLP Group open offer taken up in respect of 4.55m shares (45.4 per cent). Offer made in connection with the 18.17m shares issued as part of the acquisition of Berg Group. An egm also agreed the Berg purchase and cancellation of the share premium account. A separate meeting of holders of the preference shares approved the variation of class rights in connection with the cancellation of the share premium tion of the share premium

Hilton International books full US hotel Hilton International, the

hotels group which is a subsidiary of the Ladbroke Group, has agreed to acquire for about \$40m (£24.1m) the 75 per cent external interest in its hotel in Washinghton DC.

MIL Research profits expand 46% to £2.6m

Mil Research Group, one of Britain's leading market research companies, reported a 46 per cent rise in pre-tax profits to 20 cim from 51 70m in its to £2.61m, from £1.79m, in the year to January 31. Turn-over rose to £17.3m (£14.2m).

Mr Rudolph Goldsmith,

He also said he could see the

sumer services, was purchased in February for 2300,000 in cash plus 36,000 shares. Last week MRC Pharma, a

chairman, said that all compa-nies in the group had partici-pated in the strong growth which enabled profits to rise for the seventh consecutive

Last week MRC Pharma, a
Dutch pharmaceutical research
company was acquired for
\$525,000 in cash. Both acquisi-tions were paid for from com-pany funds. At the year-end pany funds. At the year-end MH had cash resources of

He also said he could see the growth continuing as the company diversified into areas mending a final dividend paysuch as mergers and acquisimake a total for the year up MIL has, on average, twice almost 40 per cent to 4.6p the growth rate of the market (3.3p). Earnings per share rose research industry, and this has

tions to Issue securities.

The Board will request that the General Meeting approve certain changes in the by-laws, principally concerning the increase from 12 to 14 in the number of

The Board proposes that the General Meeting appoint as boardmembers Messrs. Georges BLUM, Chief Executive Officer Direct line for Investors: (33-1) 42 561 561



RHM delivers formal terms to Goodman Fielder

RANKS HOVIS McDougall, the British bakeries and foods group, has delivered its "part A" statement — its more detailed formal offer proposal — to Sydney-based Goodman Fielder Wattie, for which it is waging a £1.27bn bid.

There will now be a period of at least two weeks and up to

at least two weeks and up to four weeks from the date of delivery, May 12, before the formal offer documents go out to Goodman shareholders, during which time the Austral-asian food company can study

asian food company can study the documents.
Goodman's initial, fairly low-key, reaction to the part A was that the group's concerns have not changed from those expressed when the bid was first mooted.

It said that it had "particularly noted that the Ranks document is again vague on the important issue of influence over Australasian businesses and assets", doing little to assure shareholders, employees and governments about this "important matter". However, while the formali-

ties get underway, discussions between the two parties, about the possiblity of a friendly merger, are described as "still



Pat Goodman, chairman of Goodman Fielder Wattie

ongoing" - despite RHM's pre-vious but non-binding insist-ance that the offer would not be increased.

The talks started shortly after RHM announced its offer in late-April Given that Ausm late April. Given that Australia's Foreign Investment Review Board — which must judge whether the bid should be permitted — is expected to come to a decision at the beginning of June, there may be increasing pressure for the discussions to reach a conclusion one way or the a conclusion, one way or the

Lyon & Lyon rejects potential bid approach

By Clay Harris

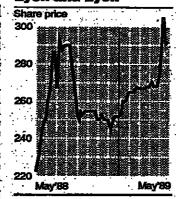
LYON & LYON, the Yorkshire-based motor dealer, said it had rejected a potential takeover approach. The group's shares, which had risen by 30p last week, closed 15p lower at 295p, giving it a stock market value of

Mr John Illingworth, managing director, said Lyon had received a letter on May 5 and replied last Thursday that the possible offer was not in the

company's interest. No face-to-face discussions had taken place and none were planned, he said. The approach came from a quoted company, which to Lyon's knowledge did

not hold any shares. Lyon's largest shareholder, Mr Tony Bramall with 19.25 per cent, joined its board on May 1. In October 1987, he sold

Lyon and Lyon



trolled motor dealership, for £79m to Avis Europe, where he served briefly as a director. In 1988, Lyon nearly doubled its pre-tax profits to £927,000 on C.D. Bramall, a family con-turnover of £20.5m.

Booker profit warning for first six months

BOOKER'S agribusinesses late receipt of planning continue to experience mixed. fortunes Mr Jonathan Taylor,

chief executive, told sharehold-ers at yesterday's annual meet-

There had been a decline in demand for the principal seed product as a consequence of price changes in the EC; production at Middlebrook Mushrooms had been affected by the

approval for the modernisation of the Avon facility, and McConnell Salmon faced a further fall in prices in the

Mr Taylor said that the setbacks would have a dispropor tionate effect on the first-half results, but he remained confident about the outlook for 1989.

| The iolitowing companies have notified dates of board meetings to the Stock Exchange. Such meetings to usually led for the purpose of considering dividends. Official indications are not sveligible as to whether the dividends are interime or fittals and the subdividends are interime or fittals and the subdividends are interime or fittals and the subdividents shown below are based mainly on last year's timetobles. | | | | |
|---|---|--|--|--------------------------------------|
| | of board meetings are such meetings are pose of considering tions are not ave dividends are inter divisions shown be | to the usually childend ilebie as ims or findend ilebie as ims or findend ilebie are ile | Stock Excluded for the let Official I to whether cals and the | tange. o pur- ndica- ndica- |

SPONSORED SECURITIES 3.7 305 285 CCL Group Ord 168 - CCL Group 11% Cosy. Pref _____ 355 George Blair

01-621 1212

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBD Tel: 01-828 7233/5699 An AFBD member Reuters Code: IGIN, IGIO -11 May. 2153/2163 -10 May. 2447/2459 +11 Jun. 2171/2181 -5 Jun. 2457/2469 +11

Prices taken at 5pm and change is from previous close at 9pm

UK COMPANY NEWS

Fitzwilton makes agreed £13m offer for M6 Cash and Carry

By Andrew Hill FITZWILTON, the Irish holding company headed by Mr Tony O'Reilly, Heinz chairman,

By Lisa Wood

March.

yesterday announced its sec-

ond major UK acquisition

within a month, with an agreed £13m cash offer for M6 Cash & Carry, the food and drink distributor.

The acquisition of M6's four

warehouses in the north-west of England will further Fitzwil-ton's ambition to build a chain

of food and drink distributors in Britain. Last summer the

irish group bought Roy Hall Cash and Carry which operates one outlet in Manchester.

FOUR MAIN contenders, including Dalgety, the food commodities group, have emerged as suitors for Premier

Brands, the UK food company

which put itself up for sale in

Analysts have put a £300m price-tag - including £90m of debt - on the business.

Lazards Merchant Bank,

which is handling the sale,

said no decision had been made yet on any deal. Price, it

said, would play a part in its

By David Lascelles, Banking Editor

preference

Bank of

Scotland

issue -

BANK OF Scotland is joining the growing ranks of banks who are planning to make issues of preference stock in order to raise capital that meets the new international

capital regulations.

The bank is seeking shareholder approval to create
£125m of non-cumulative irre-£125m of non-cumulative irredeemable preference stock and issue up to £100m of it over the next five years. The bank says the stock will enable it to develop its business without any material dilution to the holders of ordinary stock. Preference stock of the kind

being proposed by the Bank of Scotland has been approved by international banking supervisors for inclusion as "Tier 1" capital which determines how far a bank can expand its lending. Other UK banks who have announced issues include Barclays, Midland and Allied Irish Bank.

No MMC Probes

The Trade and Industry Secretary has decided not to refer the following to the Monopolies Commission: -The acquisition by Bowater Industries of a 25.65 per cent stake in Norton Opax, and the acquisition of Northern Engi-neering Industries by Rolls-Royce.

which it held a 30 per cent stake. Two weeks later, the company paid £14.8m (£12.4m) for two Dublin-based freezer-

The offer for M6 is pitched at 155p a share, against yesterday's closing price of 150p, up

makers.

Fitzwilton has already won irrevocable acceptances representing 54 per cent of M6's shares, including directors' shares, institutional investments and the 29.4 per cent stake belonging to J Rothschild Holdings, which used to own

A busy month for the acqui-Mr Kevin McGoran, Fitzwilton's deputy chairman, said the group might attempt to sition-hungry Irish group began when Fitzwilton launched a £53.8m agreed cash expand its cash and carry operoffer for Keep Trust, the car dealer and manufacturer of playground equipment in ation incontinental Europe in the longer term. Fitzwilton will also grow its other core busi-

No decision yet on Premier sale

choice but it was looking for a

good home for the business. "It is the fit between Premier and

the potential acquirer that is

important," said Lazards. Premier, which owns brands

including Typhoo Tea, Marvel instant milk and Chivers Jams, surprised the City when it

abandoned plans for a public

The move was not supported

flotation and announced it was

by Mr Paul Judge, Premier's chairman, who resigned.

nesses - motor distribution, financial services and special ist manufacturing and distributing - in the Irish Republic, Britain and continental

A placing and open offer of shares raising I£30m at the time of the Keep deal has kept Fitzwilton's gearing down to 30 per cent in spite of the recent spate of cash acquisitions.

M6 issued a statement nearly two weeks ago that it had received an approach which might lead to an offer. Bid speculation prior to that announcement announcement — which prompted a 22 per cent jump in the shares — had already pushed up the price from about 90p, at the beginning of March, to 120p.
In 1988, M6 made £1.24m

before tax on sales of £80.4m.

Cakebread up 71%

Cakebread Robey, builders

merchant, lifted taxable profits 71 per cent to £946,000 in the

The advance from £554,000

came from turnover of £26.4m

(£24.38m). Earnings per 10p

share expanded to 10.4p (6.1p), and a final dividend of 3.3p

year to December 31.

Crystalate fails to deliver long-awaited recovery with £2.3m

By David Waller

CRYSTALATE HOLDINGS the electronics components company which suffered a boardroom reshuffle after a poor first half last year - yes terday failed to deliver the recovery long-awaited by City investors when it reported its figures for the six months to the end of March.

Although operating profits rose by 57 per cent, a substantially increased interest bill



curbed the growth at the pretax level to 36 per cent. From last year's low first half figure of £1.68m, the pretax profit rose to to £2.29m.
Earnings per share climbed by 32 per cent and the interim dividend increased by 4.7 per cent to 2.2p. Turnover was up

7.6 per cent to 558.11m. Lord Jenkin of Roding, chair-man, said the second half would be substantially better than the first - but he pointed to short-term problems which would slow the pace of

improvement. All in all, the figures, combined with the tone of the chairman's statement, disappointed the market and the shares were duly marked down

65 to close at 135p.

Sales and profits in the US were higher than a year ago, but the company said that a major subsidiary, IRC, was likely to suffer from weakness in the computer peripherals and automotive market.

After a dreadful first half last year, analysts were expecting the new management at Crystalate to bring in profits in the £2.5m-£2.6m bracket; instead, they got a re-run of the same old story of poor market condi-tions in the past and great potential in the future. True, the company is exposed to fiercely competitive commodity ends of the component market, but it can perhaps be criticised for not being more nimble in dealing with the difficult mar-ket conditions which have beset the whole sector. Why, for example, has the rationalisation at Besson still not taken place? The City seems inclined to give the new management the benefit of the doubt. If it makes £6m-£6 m in the full year, the shares are on a prospective multiple of between 9.5 and 10. This seems about right; moreover, assuming a 5 dend, the shares are on a pro-spective yield of over 6 per

FINANCIAL NEWS FROM BANK OF SCOTLAND

lecord £178.5m

| | 1989 | 1988 |
|--------------------------------------|----------|---------|
| OPERATING PROFIT | £178.8m | £157.9m |
| PRE-TAX PROFIT | £178.5m | £131.3m |
| EARNINGS PER 25p ORDINARY STOCK UNIT | 13.8p | 10.9p* |
| DIVIDEND PER 25p ORDINARY STOCK UNIT | 3.8p | 3.15p* |
| ADVANCES | £10,706m | £8,241m |
| CAPITAL RESOURCES | £1,279m | £1,036m |

*adjusted for the Capitalisation Issue in May 1988 and the stock split in December 1988

- With pre-tax profit up 36%, Bank of Scotland reinforces its position as one of Britain's most successful financial institutions.
- Net ordinary dividend for the year increased by 21% to 3.8 pence per 25p Ordinary Stock unit.
- Strongly capitalised and displaying consistent growth in an increasingly turbulent industry, Bank of Scotland will continue to explore innovative and sound investment opportunities.
- At Bank of Scotland continued success depends on constantly adapting to our customers' needs.



For a copy of the Bank's Annual Report contact the Public Affairs Department, Bank of Scotland, PO BOX 725, Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2UH. Telephone: 031 343 7070

CHARTERHOUSE

SELLING? CHANGE YOUR PERSPECTIVE

SEVEN BRANCH FIRM

CHARTERED SURVEYORS

and

ESTATE AGENTS

This old established practice is engaged in Residential and Commercial Sales, together with Property Management

and a wide range of Professional work.

The office network is spread across

Principals only are invited to express

Corporate Finance Department
Grant Thornton, Grant Thornton House,
Melton Street, Easton Square,
Loadon NW1 2EP
Telephone: 01-383 5100
Facsimile: 01-383 4035

Martin Hay-Plumb or Jane Lucas Corporate Finance Department

Anthorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

experts at

Canon Windows & Conservatories (U.K.) Limited and associated companies (In Liquidation)

BUSINESS FOR SALE

Manufactuers and installers of double glazing windows and doors based in East Anglia and

Offers are invited for the assets comprising:

Leasehold industrial unit in Norwich Plant and equipment Future orders worth over £250,000 and current work in progress

For further information apply to A.S. Alleyne, F.C.A., Liquidator.

Moores **Insolvency Division**

115 New London Road Essex CM2 0QT Telephone 0245 281222 Facsimile 0245 260258

Grant Thornton

seven Midlands towns.

their interest by contacting:

FOAM AND PLASTIC CONVERTER

- Well established £1m turnover company with blue chip client list.
- Operations include conversion of polyethylene foam and rigid plastics and extrusion of nylon.

BUSINESSES FOR SALE

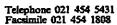
Based in South East England

QUALITY SPECTACLE FRAME MANUFACTURER

- Respected £2m turnover company with significant opportunities to enhance profitability.
- Skilled workforce in low capital intensive operation.

Neville Industrial Securities has an extremely active mergers and acquisitions programme. If you are looking to sell your business or to buy a company in any industry sector, we will provide an efficient and professional service. Please contact

Gary Smith Chief Executive Neville Industrial Securities Limited Neville House Birmingham B16 8PZ





TRADE MAGAZINE FOR SALE

Established monthly trade magazine (construction) producing regular net profits is For Sale by Tender. Closing date May 31,

All applicants, when requesting full financial and other details, should enclose a copy of their latest set of accounts.

Please write to Avery, Seaton and Willow, 34 Bristol Gardens, London W9 1AU.

INSTRUCTED BY S G FALCONER ESQ. F.C.A. INSPECTION TESTING SERVICES (UK) LIMITED - IN ADMINISTRATION INSPECTION TESTING SERVICES (MECHANICAL) LIMITED - IN

The business and assets of the above companies specialising in Non Destructive and Destructive Testing of Welding and Metal Components for Refinaries, Chemical Plants, Offshore Structures etc., using Radiography, Ultrasonics, M.P.I. and Visual Inspection. Based in Immingham, the principal assets include:

* Highly skilled and loyal workforce of 40.

* Blue Chip Consourer Base.

* Turnover £1.2M per samus * Turnover £1.2M per sonom * Modern Plant and Equipment

For further information contact Charles Moses FRICS at



Dickinson, Davy and Markham, 7 Commarket, Louth, Lincolnshire. LN11 9PY. Telephone (0507) 604712

For Sale £150,000 Projected return on investment 100% within 1 year.

Highly Profitable Business

Please phone Aiclan Powlesland 0223 247261 or write to Historical Engineering Ltd., 11 Boundary Court, Cambridge, CB1 4BB. To find out more.

UNITED STATES ACQUISITION OPPORTUNITY INTEGRATED MEAT PACKER AND PROCESSOR

- Revenue £27 million EBDT £1.4 million
 Equity £2.3 million Cash £830,000
 Brand Names Products
 Recession Resistant Customer Base
- Excellent Work Ethic
 Substantial Growth Opportunities
- Contact: Norm Rosenstein/Keith Cox

+ 714/756-2200 Fax# 714/756-0573 U.S.A.

OFFSHORE TRUST COMPANY

Offers are sought for a licenced Isle of Man based Trust Company with extensive international contacts and clients. Turnover circa £1m with exceptional growth and profit records and potential.

Principals only apply to Box H4812, Financial Times, One Southwark Bridge, London SEI 9HL

Telecommunications

Fast growing multi branch telecom group (82 5750 approved) selling a range of key systems, PABX, FAX and Cellular products. Professional sales force and management structure. Group sales this year in excess of £1,000,000. Other business commitments force disposal. First serious offer in excess of £275,000 buys the business, stock and

Write to Box H4809, Financial Times. One Southwark Bridge, London SE1 9HL

CHESHAM. **BECAUSE YOU ONLY SELL**

YOUR BUSINESS ONCE.

And you want the right buyer. With confidential briefs from hundreds of acquisitive public company chairmen who are looking to buy successful, private companies worth £500,000 to £25 million, we ought to be able to help.

So if you're thinking of selling your business, contact our Managing Director to arrange a confidential discussion.



CHESHAM **AMALGAMATIONS** The first name in merger broking.

Chesham House, 2 Bentinck Street, London W1M 6JX. Telephone: 01-935 2748

How To Realize The Value OF YOUR BUSINESS

I If you are thinking of selling your business we will give you a professional valuation without obligation.

2 Then we will find you a buyer and ensure uou get the best possible price.

For further information contact Vernon Goldberg or Clive Lawson Smith CHESTERFIELD STREET TRUST LITO 14 Hans Road - London SW3 1RS TELEPEONE 01 581 1477



PROFITABLE U.S. OIL & GAS **COMPANIES FOR SALE**

CALIFORNIA, Gas producing company (12mmtc/D) Low O/Hds, 20 BCF recoverable reserves + upside exploration potential, 36.0M PROFIT per annum. ILLB/OIS 3 small companies incorporating oil production, drilling and logging contracting 3.0mbbis recoverable with excellent oil 8 gas exploration prospects. Generating high PROFITS of \$1.5m per annum. RENTUCKY Oil transport company having some 35 vehicles, storage depot and expanding client base. \$0.5m PROFIT for 1988 and increasing

Correct: IAN J COOLING MOLERAY LTD Tel: 0909 569651 DIMMINGTON HALL Fax: 0909 563441 DIMMINGTON YORKS

For Sale: Swiss based Raw-Material Trading Company (Inc)

Reason: Succession - Share Capital SFR.100'000.-

Activity: Import/Export - Metallurgical/Chemical/Environment.
Turnover SFR. 3 Mio. - No debts - Books kept by trustees _
Operating on Min. cost level. Good prospects f. development.
Price: SFR 530 Thousand. Payment: Flexible; Many possibilities
e.g. owners house-bankers examine loan f. acquisition if desired.

Further information through: Phone 021-39 36 06 (Switzerland), Telex 454 954, Telefax 021-39 41 26

PRINTING BUSINESS FOR SALE **GLASGOW AREA**

3 Divisions; General Printing; Screen Printing; Commercial Stationery and Office Supplies. Total Turnover: £1.5M. Profitable Substantial Freehold Premises Write Box H4824, Financial Times, One Southwark Bridge, London SE1 9HL

ENVIRONMENTAL DESIGN CONSULTANCY

Offered for merger or transfer with opportunity to give continu to its professional services. Small specialist office with portfolio of long term commissions for major industrial and commercial developers. Projects include site planning, land reclamation planting design and contracts.

Principals only, in confidence to Box H4803, Financial Times, One Southwark Bridge, London SE1 9HL

SPECIALIST RECRUITMENT CONSULTANCY

Established 15 years. Turnover £300,000 and rising. Situated in the business sector of a thriving south coast town. Easy reach of London. Nine consultants trained in-house handle LAW, ACCOUNTANCY, ARCHITECTS/SURVEYORS, INDUSTRIAL CHEMISTS, SALES, and general contract and temps, under one roof. Leasehold available

Please contact Managing Director, Financial Times, One Southwark Bridge, London SEI 9HL

FOR SALE AUTOMOBILE DEALERSHIP Cadillac, Pontiac, Buick, GMC Truck and Mazda Franchises on 3.8 Acres of Land, 400 ft. Frontage on Major State Highway. 1% has from New York City, 20,000+sq. ft. Facility including new 5000+sq. ft. Showroom.

Interested persons please contact:
Charles Zwickel
Brown, Kelleher, Zwickel & Wilhelm
P.O. Box 489, Windham, New York, USA 12496
Telephone: 518-734-3300 Fac: 518-734-4226

from principals, whether buying or selling. All types of business saught, regardless of industry, size or location. The strictest confidence is maintained.

A selection from our register of businesses for sale:

WILTS (M4 CORRIDOR) - LGE BLDRS MERCHANTS/TOOL HIRE Extensive 4.4 acre F/H 40,000 sq.ft. warehag. 4 autonomous profit centres. Well designed computer set up. Estab oustomer base. Proj T/O \$2.0m highly profitable. Guide Price 5.0m (Ret-ZR 10001X)

NW KENT - OFFICE FURNITURE SUPPLIES - & Design concepts. L/H warehouse/shower/m/oft. complex. Blue chip customer base. Proj T/O \$700k. Price \$100 say (Ret ZE 18405)

N. HUMBERSIDE - AUTOELECTRIC/DIESEL INJECTION SYSTEM REPAIRS - Expanding profitable rewarding Bus. Price \$550k (Ret ZE 18451YI)

134517K)
HERTS - GENERAL BUILDERS/JOINERY - L/H office & yard. Broad customer base. T/O £1.2m. Healthy NPST Price £130k (Ref ZP1844520)
E. KENT COAST - PLUMBERS MERCHANT - With secondary Bus. T/O £500k. Highly profitable. Substantial F/Hold. Price £310k (Ref ZR19989)

Write to the General Manager Everett Masson & Furby Gorparate 16 Waisworth Road el. 0462 422499. Fax. 0462 420062 | EVEREIT-MASSON

MANUFACTURING COMPANY **FOR SALE**

A substantial group based in the North of England is offering for sale its principal Manufacturing Division. An integral pert of the offer is that the continuing business of the group will depend upon this manufacturing facility for its source of supply and this will be supported by a comprehensive agreement. On current turnover this Manufacturing Division is earning a pre-tax profit in excess of £400,000 p.a.

The products are sold worldwide by the group under long

tablished and well recognised brand name In addition to the group's requirements there is considerable scope for expansion by full utilisation of the division's facilities

The purchasers of this business will be completely independent of the present group structure. The price, which will include the plant & machinery and stock on hand, is circa

Interested parties are invited to apply in writing for detailed prospectus, in the first instance to: Dept FT1



Ash Marketing Services 39 The Grove, Ilkley LS29 9NJ

SOUTH WEST - SUPERB HOLIDAY PARK

Ideal location, large 4-bed former farmhouse. PP for further dwelling. 150 touring pitches, 20 static caravans, 2 chalet bungalows. PP for further 8 units. Very attractive club facilities - bar/restaurant. Shop. Games room. Swimming pool. In all 13 acres. T/O in excess of £107,000 with good gross profit. Freehold £700,000. Ref. 499/118L.

Mansion House, Truro TR1 2RF. Tel: (0872) 74211

CHINA PROCUREMENT/MARKETING SPECIALISTS

Available following strategic rationalisation by its parent company, this Hong Kong/UK subsidiary of a British plc offers significant development potential.

- T/O now £1.3 million, projected 1990 £3 million Industrial minerals/chemicals from China to EEC High-technology equipment Europe/USA to China Strong technical/commercial base

Principals please reply to: Box H4825, Financial Times, One Southwark Bridge, London SE1 9HL.

RETAIL/RESTAURANT OPPORTUNITY

- City of London
- Premier Location
- New extended lease - Approximately 2700 sq. ft.
- Principals only please

Write to Box H4816, Financial Times, One Southwark Bridge, London SE1 9HL

COMPUTER MAINTENANCE

Software Maintenance division for sale: turnover £250k p.a. Associated hardware maintenance contracts c £500k p.a. All on DEC equipment.

Contact:David Franks Blackstone Franks & Co Barbican House 26-34 Old Street London ECIV 9HL Tel: 01 250 3300 Fax: 01 250 1402

FOR SALE FOR RE-LOCATION

FULLY EQUIPPED SHOWOOD FURNITURE MANUFACTURING BUSINESS
Current Turnover - \$1.3 million Established 24 years. Excellent customer base. Average profit - last ten years - c.560,000. Space required - 20,000 sq.ft. Price - £295,000 Wagner & Partners Meares House 194-196 Finchley Road London NW3 6BX

MAJOR ANTIQUES BUSINESS FOR SALE

Freehold available with development potential (detailed planning of

Principals only write to Box H4819, Financial Times, One Southwark Bridge, London SE1 9HL

MESSENGER SERVICE BASED U.S. MIDWEST

1988 Turnover approximately \$US 15 million adjusted pre-tax profits \$US 3.2 million Write Box H4826, Financial Times, One Southwark Bridge, London SE1 9HL

U.S. AGRICULTURAL LAND / BUSINESS FOR SALE

26,500 acre commercial farming, packing, and distribution business for sale located in the southwest U.S.A. Ideally suited in a minimum frost, year round growing environment. Business segments include table grapes, asparagus, cotton, roses and other vegetable/produce crops.

Contact: Mr David Igata P.O. Box 19599 Irvine, CA, USA 92713 Telephone 714 758 2200 Fax 714 758 0573

FABRICATORS Mainly supplying to building trade. Based in South Yorkshire and established 21 years ago. Genuine reason for sele. Turnover to 31,5.89 likely to exceed \$900,000.

Write Box H4818, Financial Times, One Southwark Bridge, Loadon SEI 9HL

EXCELLENT **OPPORTUNITY**

Vacation resort Nassau Bahamas

Price: US\$ 3,400,000.-For information please write to:

TELEVISION

FACILITIES

COMPANY

For sale as a going concern with established customer base.

esteoushed customer base. Ideal, opportunity to get into growth market.

Wife Bez 166321, Flaunciel Times, Olis Southwerk Bridge, Lendon S&I SHL

PRECISION/LIGHT ENGINEERS, SLOUGH

Approx 3½ acres with 25,000 sq.ft. Asstd buildings & office - easy reach M4 & mail free railway. Well equipped, incl CNC; est 14 years, owner retiring. Consistent profits of £60K + on the £20K. Expension opportunities.

Asking price: £600,000. For details triephose 0753 30333 or write to - Haines Watts, Freepost 448, Slough, SLI 48N quoting ref: PLMC. Contact: 0380 830569 0225 768271 evenings

Stock Photo Agency USA Camblished 50 years. Over 1.000,000 images of Colour/B&W/Historial. Unlimited growth potential. Serving Advertising/Publishing/Promotion/Breadcast/Etc. Reply to:

FOR SALE

Designer Boutique in New Kings Road S.W.6 for sale as a going concern. Est 1997 and profitable. Ideal present for

wife/girlfriend that could earn at least £70,000 P.A. and rising,

at least E/U,UKO P.A. and rising, terrific potential. Ring Brian Sheridan on 01-570-9043 \$50,000 (Inc 12 year lease to run) and benefits of £30,000 of improvements and fittings, Stock negotiable.

A Birmingham renowned

Diner/Cafe Bar

ings of £700K, high gross profit and potential to increase. Genu-ine reason for sale. Would suit a

Apply Principal only to Box H4805, Financial Times, One Southwark Bridge, London SEI 9HL

INDUSTRIAL SITE

WEST COUNTRY

SHOOTING GROUND **DOUBLE GLAZING**

rostional standard 18.75 acre CONTRACTORS to major North/South Trunk road, Substantial five figure price required. South East based non-manufacturing, six figure order book, seek talks with interested parties with view to Details -Mace Associates 9400 51247 Fax 9408 82224 acquisition or merger. ffrite Box H4822, Financial Times, On Southwark Bridge, London SE1 SHL

FOR SALE
PRIVATELY OWNED RETAIL
BAKERY COMPANY

on manufacturing bakery within 50 mile radius of London, 13 50 mile radius of London. 13 shops. T/O in excess of £1.5 million with tremendous potential for further growth. Vrine Box H4815, Financial Times, One Southwark Bridge, London SE1 9HL

S. MIDLANDS RETAIL LTD COMPANY

Annual t/over £1.1 milion O/P £130.000 bath/file show rooms in unjer Warls towns. All in prime locations, see leases easily menaged unlimited potential offices invited around £225,000 + S.A.V.

BUSINESS FOR SALE MATERIALS PROCESSING COMPANY Sales £5m net £400k.

High margins, proprietary products, good export potential esp. USA. Principals only. Write Box H4795, Financial Times, One Southwark Bridge, London SEI 9HL

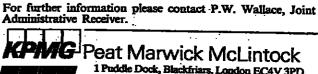


The Joint Administrative Receivers offer for sale the business G.M.L. CONSTRUCTION L.T.D.,
-Supplies of Labour to the Construction Industry

Principal features include:

Estimated turnover of £2.5. million in year to January Goodwill supported by strong order book
Leasehold premises in New Malden

Sales Ledger balances and claims totalling in excess of £0.5 million



1 Puddle Dock, Blackfriars, London EC4V 3PD. Telephone: 01-236 8000 Telex: 8811541

YACHTS & POWER BOATS

A MOTOR YACHT FROM THE **NEW HOME OF THE AMERICA'S CUP** BY ED DUBOIS

Every so often a motor yacht comes along which is truly exceptional in design, which takes style, high performance and innovation, and ties them into a complete working package - the Dubois is just such a motor yacht, built in New

From 21-26 meters, constructed of high technology exotic laminates, lightweight strength, personalised interiors, you could own one from as little as £950,000 - either for charter, or your own.

To find out more specific information on the motor yachts of Ed Dubois, Fax the owners representative Philip Hales who is at present in London Fax 01-627-4489

> HOTELS & LICENSED **PREMISES**

In Winchester we mean business

Winchester City Centre Hotel for development. Southgate Hotel, Southgate Street, currently with 19 bedres, 2 Bars & Resint, Listed Hotel with planning consent to extend to a total of 60 beds. A unique opportunity to acquire a freehold site close to the centre of this busy Cathedral City.

Offers invited in excess of 21.7 million.

WINCHESTER OFFICE (0962) 844455

Offices throughout the British Isles.

The state of the s

CONTRACTS

£30m orders for Wiltshier Group

JOHN E WILTSHIER GROUP Horsham, Sussex, for Cannon has won contracts worth more Estates. than £30m over the last month. In Ker The largest, a film design and build contract, was won by Wiltshier Projects Group and involves the construction of four adjacent high specifica-tion office buildings at Herbal Hill, London ECl, for Priest Marians Developments. Also design and build, is an £825,000 contract for a replacement warehouse superstructure in Enfield, London, for Barclays

Nominees (KWS). The group's south east division has picked up nearly

In Kent work will begin soon on a £2.7m high bay warhouse facility for a pharmaceutical facility in Dartford, and a £2.15m factory and office conplex at the Gillingham Business Park for Insight Cartons.

London based Wilshier Inte-riors bas been awarded a £1.29m contract by British Rail, to fit out the concourse and platforms at London's Fen-church Street station. And in Bishops Stortford, Essex, Wil-tshier Construction bas been £3.5m of work in three major awarded a £1.78m contract for contracts. The largest is a the alteration and extension of £3.42m office development in a town centre supermarket.

Leisure facilities for Milton Keynes project

SDC BUILDERS, Bedford, has for Plant Breeding Internabeen awarded contracts worth tional (£1.6m) and an industrial over £17.7m, the biggest of unit at Biggleswade for Bedwhich is to design and build a fordshire Salvage Company £7.7m leisure plaza in the centre of Milton Keynes.

This encompasses an international ice arena, 36-lane bowling centre and family facilities linked by a central piazza and ornamental lake to two stores and a garden centre to be leased to Sainsbury's Homebase and Argos.

include a nursing home at Bottisham, Cambridge, for 3P Hotel, at Clapham, Beds, (£2.9m), a factory at Cambridge (£500,000).

(£600,000). The remainder, all design

and build, are for adding a swimming pool to Mid Beds District Council's sports centre at Flitwick (£16m), a three-storey office building for accountants, MacIntyre Hudson, at Milton Keynes (£16m), offices for computer company, Barron omenase and Argos. McCann, at Letchworth (fl.lim)
Seven other contracts and the extension and refur-

Manchester headquarters

COSTAIN CONSTRUCTION, a subsidiary of Costain Group, has been awarded a £7.2m contract by Siemens for the construction of Siemens new energy and automation headquarters in Manchester.

The contract comprises the construction of a multi-storey office building surrounding an enclosed courtyard which is to have extensive landscaping.

The main entrance to the building and a training centre, occupying a prominent corner of the site, will consist of a circular element four storeys high with a machinery room. above. The remainder of the building will be five storeys due for completion high and contain open plan die of June 1990.

office accommodation and facilities for the main sevices. Construction will include flight augured concrete pile foundations, pile caps and an in situ reinforced concrete ground floor slab. The circular element will consist of reinforced concrete columns, beams, floor slabs, roof deck and perimeter walls. Internal partitions will be 100mm concrete blockwork. The machinery room will have a steel frame with concrete block walls clad in aluminium. Precast concrete staircases will also be included.

The contract commenced in the last week of April and is due for completion in the mid-

Oversea Price

£11.00 US\$16.00

Qty

i wish to pay by credit eard (mark choice): Visa Access Amex Diners

"I wish to order 5 or more copies. Please send me details of bulk

FINANCIAL TIMES

GUIDE TO

Investment trusts are one of the best kept secrets of the investment world. This guide has been written to dispel the mystique and provide the investor with clear and concise information on how to move into and maximise the advantages of this long-established

Highly illustrated with tables and graphs, the book gives a step-by-step guide to the various options available for the investor: it explains complexities such as discounts and warrants, and gives guidance on how to choose and how to buy shares in an-

Contents include: What is an investment trust . How an investment trust works . Investment trusts versus unit trusts . How to buy investment trust shares • The different types of investment trust • The different ways of investing . Split capital

investment trusts • Warrants • Choosing an investment trust. • The managers • Reading the charts and ratios . Reading the reports and accounts Where to go for information ● Savings schemes for the small investor • Takeovers • Glossar

sector of the investment industry.

investment trust.

Index.

ORDER FORM

Published August 1988

Title

BLOCK CAPITALS PLEASE)

Please return to: (Mail order address only)
The Marketing Dept., FT Business Information
7th Floor, 50-64 Broadway, London SWIH ODB.
Rel; 01-799 2002. Teles: 927282.

Financial Times Guide to

Investment Tracks ISBN 1 185334 018 9

FT LAW REPORTS

Bank can freeze UK assets for French proceedings

X v Y AND Y ESTABLISHMENT Queen's Bench Division: Mr Anthony Diamond QC, sitting as a deputy High Court judge: April 10 1989

WHERE A civil or commercial action is tried in a country which is party to the European civil jurisdiction Convention, the English court has power to give the plaintiff leave to serve Mar-eva proceedings abroad on a defendant domiciled in a non-Convention country, and may freeze his UK assets pending judgment in the foreign court if there is a real risk that he will dispose of them to avoid satisfac-

Mr Anthony Diamond QC, sitting as a deputy Queen's Bench judge, so held when dismissing a chambers summons by which the defendant Y, a Saudi Arabian carrying on business as an establishment, sought (i) to set aside leave given to X, the plaintiff bank, to serve interim proceedings on Y in Saudi Arabia; and (ii) to discharge a Mareva injunction obtained ex parts by the bank. Mr Anthony Diamond QC, sit-

HIS LORDSHIP said that on May

HIS LORDSHIP said that on May 23 1936 the plaintiff, a French bank, agreed to provide the defendant, a Sandi Arabian businessman, with a letter of credit and acceptance facility up to \$5m, and to lend him \$R6m.

The defendant guaranteed all amounts due. Under the agreements and the guarantees he submitted to the jurisdiction of the courts of any place where his assets might be found, and payments were to be made "without any deduction or withholding any deduction or withholding

whatsoever."
In October 1987 the defendant lefaulted on the letters of credit. On March 16 1986 the bank wrote bringing the loan agreements to an end and claiming sums

in early 1984 the bank's ultimate holding company, "A", had decided to increase its share capital and had asked the bank to help in placing shares. The defendant had subscribed for \$0,000

dant had subscribed for 60,000 shares at \$100 per share. He became disenchanted with the investment. It was asserted in evidence that in buying the shareholding the defendant relied on representations made by an employee of the bank. In France five criminal complaints were made by subscribers to the 1984 placement, including the defendant. It was said that the bank employee was to be charged with frand and abuse of confidence. While criminal proceedings

While criminal proceedings were in being, the defendant was precluded from bringing civil proceedings in France.

No defence had ever been raised on the defendant's default on the letters of credit. It was clear that he had no right to withhold any of the sums due to the bank. He had expressly agreed to pay "without any deduction or withholding what soever."

There was no doubt that his failure to pay was due to his desire to put pressure on the bank to settle the dispute relating to his shares in A. That was a clear breach of the contracts, a clear breach of the contracts, which specifically excluded any right of set-off. In April 1988 the bank com-

ously obtained a satisfe conserva-toure of his A shares, held at its Parts branch. They might well not be worth more than \$3.9m. There had been no judgment so far, and he had put in no defence. On December 13 the bank On December 13 the bank applied ex parts to the English court for a Mareva injunction restraining the defendant, until trial of the Paris proceedings, from dealing with or removing his assets out of the jurisdiction.

Mr Justice McCullough made an order to that effect, and also grow the bank leave to serve an

gave the bank leave to serve an originating summons on the defendant in Saudi Arabia. The bank issued the summons, asking for similar relief to that granted ex parte.

As a result the bank succeeded in freezing the defendant's London assets, amounting to about

On the present summons the defendant sought orders that (a) the originating summons, service, and all subsequent proceedings be set aside, on the ground that the court had no power to give leave to serve out of the jurisdiction; and (b) that the Mareva Infunction be discharged. jurisdiction; and (b) that the Mareva injunction be discharged.
Article 24 of the European Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters 1968 provided that application might be made to the courts of a might be made to the courts of a contracting state "for such provisional, including protective measures" as might be available under its laws, "even if the courts of another contracting state have jurisdiction as to the substance of the matter."

The Civil Jurisdiction and Indements Act 1993 gave effort

The Sisking was a decision on

defendant in Paris. It had previ- to the Convention in the UK. Section 25 of the 1982 Act pro-vided that the High Court had power to grant interim relief where proceedings had been commenced in a contracting state other than the UK.

Mr Silber for the defendant submitted that while section 25 gave the court power to grant interim relief in relation to French proceedings, it could not exercise that power unless either (i) process could be served within the UK; or (ii) statutory authority could be found in Order 11 of the Rules of the Supreme Court, allowing service out of the juris-

allowing service out of the juris-diction.

RSC Order 11 rule 1(1)(b) pro-vided that leave could be given to serve out of the jurisdiction "if in the action begun by the writ (b) an injunction is sought order-ing the defendant to do or refrain from doing anything within the jurisdiction." It applied to an originating summons as it did to a writ (see rule 9(1)).

Mr Silber submitted that the sub-rule did not authorise service abroad on a defendant who was not domiciled in a "Convention" country. Also, in accordance with the House of Lords decision in the Sichim (1979) AC 210 with the House of Lords decision in the Sisking [1979] AC 210, he submitted that the bank's claim was not within the sub-rule because the injunction was sought not as part of substantive relief, but in aid of foreign proceedings.

what was then Order 11 rule 1(1)(i), which was in identical terms to the current rule 1(1)(b). It held that to come within the sub-rule the injunction sought

must be part of the substantive relief to which the plaintiff's cause of action entitled him. Section 25 was enacted for two reasons - first, to confer on the court the powers under article 24 of the Convention; and second, to override the Sisking decision. Because of Siskina the courts had had no power, until the 1982 Act, to grant provisional or pro-tective measures of the type con-

templated by article 24. In Babanaft v Bassatne (1989) 2 WLR 232 Lord Justice Kerr said that "the reversal of the Siskina case and adherence to article 24 of the Convention was achieved by section 25" of the 1982 Act. Section 25 was not intended to be limited to cases where the defendant happened to be domi-ciled in a Convention territory. Neither article 24 nor section 25

Neither article 24 nor section in was expressed to be so limited.

For section 25 to apply there were two conditions. First, proceedings must have been or be about to be commenced in a contracting state other than the UK (25(1)(a)). Second, the subject matter of the proceedings must be within the scope of the 1968 Convention (25(1)(b)). Both conditions were satisfied.

France was a Convention state, and the proceedings related to "civil and commercial" matters.

Section 25 itself did not authorise service out of the jurisdiction. That was intended to be dealt with in complementary legislation – namely Order 11.

The proper construction of Order 11 rule 1(1)(b) was that the court could grant leave to serve out of the jurisdiction (a) when the injunction sought in the action was part of the substantive relief to which the cause of action entitled him (as held in was for ancillary relief within

Mr Justice McCullough therefore had power to grant leave under rule 1(1/b) to issue the originating summons and to serve it in Saudi Arabia.

There were very strong reasons why the court should exercise its discretion in favour of granting interim relief. They included the agreement that the defendant might be sued "in any place where his assets may be found": the fact that he had according to the strong the submitted to the iurisdiction of the French court; and the fact that any French judgment would not be enforceable in Saudi Arabia.

There was abundant evidence that he was taking every step available to avoid paying an undisputed debt of \$8m to the bank, so as to put pressure on it to settle the dispute relating to his shares in A. Refusal of a Mareva injunction would involve a real risk that a French judgment would remain unsatisfied save to would remain unsatisfied save to the extent that it was secured by the saisie conservatoire.

It was just and convenient that the defendant should be restrained from removing his

assets out of the jurisdiction.
Judgment for the bank.
For the bank: Nicholas Merriman QC and Andrew Sutcliffe (McKenna & Co) For the defendant: Stephen Sil-ber QC and Thomas Weitzman (Holman Fenwick & Willan)

Rachel Davies





offers the biggest opportunities

The UK's biggest new urban development project offers the biggest opportunities to investors, developers and new industry. High quality factory units and greenfield sites now available. Over a million square feet of prestige industrial and commercial premises under construction or being planned. Specialised accommodation on technology and business parks. Participation and business opportunities in Teesside Development Corporation flagship initiatives: Tees Weir - a £200M rejuvenation of 250 acres as a high quality office, home, retail and leisure mix.

Hartlepool – provision of residential, leisure and business amenities and maritime-related enterprise at the new marina complex. Teesside Park - specialist retail outlets at the old Stockton racecourse, now being developed together with the UK's largest leisure centre. Teesside opportunities – backed by Development Area grants and Enterprise Zone incentives. To find out more contact Duncan Hall, Chief Executive, Teesside Development Corporation, Tees House, Riverside Park, Middlesbrough, Cleveland TS2 1RE. Tel 0642 230636. FAX 0642 230843.



Initiative Talent Ability

COMMODITIES AND AGRICULTURE

Dollar undermines precious metals Time runs

By Kenneth Gooding, Mining Correspondent

PRECIOUS METALS prices were sent tumbling yesterday by the soaring dollar, which discouraged buyers of gold, sil-

ver and platinum.

Matters were not helped by the fact that many European centres were closed for the Whitsun holiday and this

The gold bullion price plunged through \$375 an ounce, a key price as far as for \$350 as gold's next stop." to \$5.50 cents an ounce. chartists were concerned traders said, however, that because this was the lowest a further substantial fall in silver close at \$5.52 an ounce.

level reached last year. By bursting through this chart support point, gold triggered

further selling. Gold closed at \$378.75 an ounce, \$3.5 down from Friday's close and its lowest level for 32 months. Mr Mark Wellesley-Wood, head of Kleinwort Benson Securities' min-ing team, said in normal circumstances he "would look for \$350 as gold's next stop."

the gold price was unlikely because it was being underpinned by the unrest following the Panamanian elections and the subsequent involvement of the US in that country.

The silver bullion price fol-

lowed gold down as speculators showed concern over the dollar's rapid advance. Traders said that at one point yes terday morning silver slipped to \$5.50 cents an ounce.

a 26-month low.

Meanwhile, the platinum
price slumped by \$15.60 an
ounce to \$519.90 by the close.

Ironically, this sharp fall ame on the day that Johnson Matthey, the world's biggest platinum marketing organisa-tion, released its annual review of the market. It pre-dicted that platinum would trade this year mainly in a range between \$500 and \$600

tin case down 10 cents from Friday and settlement

By Raymond Hughes and Kenneth Gooding

short for

LAST-DITCH attempts were being made yesterday to reach an out-of-court settlement between the countries, traders and banks caught up in the 1985 collapse of the Interna-tional Tin Council's buffer stock operations with debts of £906m. However, creditors said the two sides were still far from reaching agreement after talks which started last Thursday and continued over the weekend and yesterday.

Time is running out because the International Tin Agree-ment ends on June 30 and the current round of negotiations almost certainly represents the last chance for a settlement

before then. Creditors claim to be owed £513m in principal and interest. They had previously suggested they might be willing to settle out of court for about £225m.

Representatives of the 22 ITC member countries are under-stood to be offering much less. ITC members continue to insist that a formal proposal must first come from the creditors but a spokesman for the creditors said it made no sense to make any proposal because the two sides were too far

apart.
The creditors suggest they are injured parties trying to recover as much as possible of money they are undeniably owed. Their approach is a commercial one and in a commer cial context bargaining over figures is nothing unusual. The states, however, look at

the matter differently. They do not accept that they have any responsibility for the FTC's debts or any liability whatso-

ever to the creditors.

That position would appear to be legally unassailable: virtually every judgment so far has been in favour of the states

- though virtually every judge
who has had anything to do with the tin litigation has had harsh things to say about the states' attitude to the whole

That being the states' approach, the last thing they feel under any obligation to do is to enter into negotiations with the creditors - indeed, they take the view that they cannot be seen to be engaged

in commercial haggling.

Their attitude is that they and the creditors have a common problem which needs to

LME WAREHOUSE STOCKS +3,775 to 135,050 -1,025 to 34,600 -1,842 to 3,132 -4,025 to 31,475

Silver (oz). - 540,000

Farmland used to be valued on its productive potential, but now other factors take priority AND AGENTS have never been so busy and they are loving it. One told me the other day that twice as many farms as usual had come onto the market so far this year and that he personally was currently preparing the particulars for a dozen major estates. Furthermore, he confidently expected to sell

look at the view

The answer used to lie in the soil (with apologies to the late Kenneth Williams). The value of a farm was governed by the quality of the land and its ability to grow good crops. Adver-tisements in the past stressed the grade of the land, the excellence of the grain store, the potential for irrigation and

so on. But not any more.

Today, as any reader of
Weekend FT will know, the
headlines beneath beautiful coloured photographs of the house and gardens draw atten-tion to residential advantages, proximity to London, to racecourses and the fishing and shooting available on the farm. The land, usually mentioned in small print, is clearly well down the list of

confidently expected to sell most of them at or above the

guide price.

priorities.

Such advertisements are, of course, an accurate reflection of where the value lies. Many of today's potential buyers spend their weekdays in high-rise glass palaces peering at flickering screens with a telephone to each ear. The big money which some of them make from manipulating paper in such a pressurised environ-ment makes them crave for what they perceive as quality of life, at weekends at least, and gives them the where-withal to purchase it.

Last year, according to land agent Savills, the market leader in the farm sector, the average price of farms sold with vacant possession in England increased by 26 per cent. Residential farms sold at 38 per cent higher and farms in the south and west of England, in other words with the best access to London, were up 55 per cent on the year before. In the same year, however, income from farming fell by 25

This paradox is compounded by roll-over relief. A growing number of farmers is selling fields or entire farms for development at very high prices indeed. Provided the vendor reinvests the proceeds of such gains tax is deferred. It is therefore possible for a farmer selling, say, ten acres of land for £500,000 an acre to be in a position to buy a 2,000 acre estate and still have cash to

According to Savills, 33 per cent of those buying farms last



Never mind the quality,

By David Richardson

year were taking advantage of real-over relief and that represented 42 per cent of the acreage which changed hands. In the eastern counties roll-over money paid for 60 per cent of the acreage sold.

Savills further claims that farmers are still the main buyers of land in spite of the falling profitability of farming. In strictly business terms, it does not make sense. Farmers

are in the best possible position to know how difficult it is, currently, to show a profit from farming – that is why so many farms and estates are on the market. So why, having made some

real money from development sales, do many of them put it straight back into land instead of investing it in gilts or almost anything else where it would yield a much better and more secure return?

The simple answer is that most farmers, even today and in spite of the problems, love the job they do and frankly don't want to do anything else. They never referred to it as quality of life until the yupples began using the phrase, never-theless that is what they have and wish to hold.

If proceeds from develop-ment sales enable them to consolidate their position so much the better, and they are pre-pared to bid against sharp suited City competitors to lev-els far higher than a farm or estate is worth in order to do so. Neither bidder in such an auction takes any account of the potential profitability of

Also significant is the fear that roll-over relief may be abolished or that its terms may be changed. It was, after all, introduced in 1979 to replace a punitive land development tax which was discouraging owners from making land available for building. Roll-over relief to replace business assets taken for development at no

It was not, I suspect, meant to lead to enormous windfall gains which the present price of development land provide. Indeed, there was surprise in some quarters that the

Chancellor did not correct the anomaly in the last budget. There is little doubt that

anticipation of an amendment to the law helped push up the price of farmland prior to April as roll-over purchasers sought to find a home for their money before budget day. Even bare land with none of the amenities so attractive to the City set benefited from the pre Budget panic and prices rose margin-

But the immediate pressure to buy has now receded. Mean-while, more and more farmers are seeking to give up the mequal struggle of trying to make money from farming and are putting their holdings on the market. Last week 18 pages of the Farmers Weekly were crammed full of details of farms for sale up and down the

Those

with attractive

houses, good shoots and within an hour or so of London will probably sell at prices higher than those recorded during the early 1980s. Those with sizeable milk quotas should also be relatively easy to move -dairy farming is one of the few profitable sectors at present.

It is, however, difficult to imagine who will buy the less fashionable farms, in spite of the confidence of my ebullient friend the land agent. The value of such holdings has already fallen by at least a third since the peak six to eight years ago when almost any farm sold for more than £2,000 per acre. It is well known in fact that many holdings in areas like the East Anglian Fens which are fertile but unattractive have been on offer for months without attracting a single bid. And now there is the prospect of fertiliser restrictions being imposed in such areas to comply with EC regulations on

nitrates in water supplies. The Minister of Agriculture promises to compensate affected farmers but it is unlikely that he or his successors will be over-generous. In the meantime, the value of farms involved will decline

Regular reports of ever increasing land prices there-fore give a totally misleading impression of the prosperity of agriculture. The most profitable crop by far, for a few, is lows. For most of the rest of the industry unable to persuade the planners to grant the necessary permission, pros-pects remain depressed. And land - once called the ultimate commodity - because "they don't make it any more" - goes down in value as well

Japanese still hungry for platinum

By Kenneth Gooding

JAPAN'S VORACIOUS appetite for platinum sent demand for the precious metal spiralling to another record last year, according to Johnson Matthey, the world's largest platinum marketing company. Japanese imports of plati-num in 1988 reached 2.17m troy

ounces, 30 per cent more than in the previous year. That country accounted for 54 per cent of all the primary plati-num available to the west in 1987 and last year Japan's share grew to 68 per cent. Looking ahead, Johnson

Matthey suggests in its annual platinum review that demand for the metal will exceed supply for the fifth consecutive year in 1989 and the deficit will continue for the next two or Platinum will continue to

show price volatility but is expected to trade this year mainly in a range between \$500 and \$600 a troy ounce, it says.
The platinum price briefly dropped below \$450 an ounce in February last year and reached a peak of \$650 in June while the average of London quotes for the year was \$530, or \$25 an ounce lower than in

Western World Platinum demand 1000 troy ounces Petroleum 50 Electrical 185 Chemical 160 Glass 130 Autocatalyst 1,165° Other 120 owing for 160,000 tray

Johnson Matthey says that in 1988 platinum demand rose by 10 per cent to 3.66m ounces, second year in succession that the 3m ounce level was

1988 total 3,620,000 troy ounce

Supplies of primary platinum grew by only 3 per cent to 3.2m, and the deficit of supply more than doubled to 460,000

This helped to produce a squeeze on physical metal last year, particularly from July onwards, which was reflected the the premiums available for spot metal compared with

yesterday. BAA director Mr

John Page said UK sales of pes-ticides had shown no growth in

money terms since 1983.

The review says the supply deficit in 1989 is not expected to be as great as last year's but will still lead to pressure on available stocks.

Automotive catalysts contin-

Source: Johnson Matthey

ued to provide the biggest industrial demand for plati-num, consuming 1.325m ounces last year — including 160,000 ounces recovered from spent catalysts — and Johnson Matthey believes that the increasingly fast pace of intro-duction of car catalysts in western Europe should sustain

jewellery demand to be main-tained this year but the invest-ment metal business might

this demand in future.

The review says it is unlikely that Japan will repeat last year's extraordinary level

of imports but looks set to

remain the biggest market by

r. Johnson Matthey expects

fall. "We believe that platinum will continue to develop as an investment instrument but at a slower pace than over the last four years, Probably the Far East will be the major market of interest, with North America somewhat less active by comparison," the review sug-

On the supply side, South Africa maintained its dominant 80 per cent of western world platinum supplies with output of 2.56m ounces last year. Johnson Matthey says it

expects only a modest change in primary supplies this year, with South Africa producing a little more and the Soviet Union exporting a little less than last year's 0.4m ounces as its domestic needs increase.

"Platinum 1989". Free from Johnson Matthey, 78 Hatton Garden, London ECIN &JP.

Rape seed growers vote to pay research levy

By Bridget Bloom, Agriculture Correspondent

BRITAIN'S OIL seed rape methods of crop protection, growers have voted to pay an among other research projects. annual levy to fund their own applied research following the Government's decision last year to stop funding such so-called "near market"

Some 77 per cent of rape seed growers voted in a poll conducted by the Ministry of Agriculture to pay an annual levy into a scheme which will Grown Cereals Authority, a statutory body which already operates a similar scheme for

cereal growers.

At the probable rate of 50p a ute some £500,000 from 1990. It will fund independent trials of new varieties of rape and new

higher. May touched £1,400 a tonne in

early dealings before easing; July

closed at £1,179, the highest level for

By David Blackwell WORLD PRODUCTION of coarse grains is set to soar by more than 100m tonnes next Government plans to cut

more than £30m from its £160m agricultural research and development budget were announced last year amid widespread controversy. The move is part of an economywide move to shift more applied research to industry, which is held to benefit from being used by Britain's farmers has fallen by 41 per cent in the past eight years, according to a report released by the British Agrochemicals Association

sowing of coarse grains is not yet complete in the Northern

Coarse grain crop seen rising by 100m tonnes

year, according to the latest International Wheat Council

It is forecasting a crop of 830m tonnes, the highest figure since 1986. Last year 729m tonnes were produced. The report points out that recent rains have helped sowing in some parts of the US corn belt, stage a strong recovery after last year's drought. But larger crops are also expected in the EC, the Soviet Union, Argentina, and China.

However, it warns that the Hemisphere.

The IWC has revised downwards its forecast for next year's wheat crop to 535.3m tonnes from last month's 537.7m tonnes. Last year the total crop was 504m

The reduction reflects the poor outlook for winter wheat in the US, where dry weather has hit crops. Some areas in Kansas have already been abandoned, says the report.

that many poorer importing countries "could experience severe difficulties in meeting the cost of commercial wheat imports" next year in the light of rising prices and a reduction of subsidies and credit offers from some of the

WORLD COMMODITIES PRICES

LONDON MARKETS COCOA E/Ionne LONDOS METAL EXCHANG Close Previous High/Low COFFEE prices resumed their recent 712 705 729 721 708 725 741 786 779 788 798 uptrend vesterday after Friday's Cash 2445-55 3 months 2210-14 2470-80 2223-5 setback. The strength of nearby May 734 780 776 776 778 744 739 788 781

803 801

Turnaver:2894 (5387) lots of 10 tonnes ICCO Indicator prices (SDRs per tonne), price for May 12: 934.52 (926.97): 10 day at for May 15: 941.10 (943.77) more than two months. A shortge of tenderable spot coffee remains the principal supporting factor. Cocoa nrices were also firmer. Early gains were prompted by weaker sterling and a more encouraging chart picture after Friday's late recovery from 1312-year Close Previous High/Lon 1400 1350 1180 1165 1119 1105 1085 1077 1335 1155 lows. The market was quiet as m European centres were closed for the Whit Monday holiday. Today a policy meeting in the Ivory Coast is widely

Turnover:2093 (3955) lots of 5 tonnes (CO Indicator prices (US cents per pound) for May 12: Comp. daily 115.66 (114.77), 15 day average 116.01 (116.29) paid to growers. On the LME copper prices fell under pressure from a rise in warehouse stocks and easier prices in New York. SPOT MARKETS Close Previous High/Low Crude off (per barrel FOB) 275.00 280.40 273.00 278.20 269.00 280.00 261.00 296.40 259.60 298.40 279.80 275.00 277.80 272.80 277.00 275.00 264.00 263.00 (NWE prompt delivery per tonne CIF) Close Previous High/Low Premium Gasoline Gas Oil Heavy Fuel Oil Naphtha Petroleum Argus Estin \$256-261 \$145-147 \$89-91 348.50 348.00 330.00 333.00 324.00 328.50 318.00 320.50 313.00 319.00 312.00 318.00 310.00 318.00 \$182-185 -3.5 -10 -15.6 -6.75 Gold (per troy oz) \$\frac{1}{2}\$
Silver (per troy oz) \$\frac{1}{2}\$
Platinum (per troy oz) 652c \$519.90 \$152.25 Turnover: Raw 2798 (5545) lots of 50 tonnes. Paliadium (per troy cz) +80 Aluminium (tree market) Copper (US Producer) \$2445 131 ⁵2 - 138c

+ 10 -35 -0.06 -2.75 17.39 18.88 17.29 17.40 16.85 \$10415 +0.10° +3.44° -1.91° 119,13p 268,31p 86,67p London dally sugar (raw) \$310.6u London dally sugar (white) \$355u Tate and Lyle export price \$302 -0.5 Wheat (US Dark Northern) £125.5 Rubber (spot)♥ 55 00p Rubber (Jun)♥ 63.00p Rubber (Jul) ♥ 83.00p Rubber (KL RSS No 1 Jun) 275.5m -0.50 -0.50 -0.50 -3.5

Ung \$407.5x \$370 £202 Goconut oli (Philippines)§ Paim Oi! (Malaysian)§ +0.05 -6

AM Official Kerb close ' Open Interest Ring turnover 17,550 tonne 2440-2 2215-20 35,241 lots Ring turnover 29,425 tonne Copper, Grade A (E per tonne) 1647-9 1648-8 Cash 3 months 1691-2 1680-2 Sever (US cents/fine ounce) Ring turnover 0 ozs 314 lots Aing turnover 8,500 tonne Lead (£ per tonne) Cash 385-6 3 months 376-7 10,162 lots Ring turnover 2,628 tonne Mickel (\$ per tonne) Cash 14200-300 3 months 13700-800 14200-300 13700-50 14500-50 13900-30 7.731 lots Ring turnover 10,000 tonne Zinc, Special High Grade (5 per tonne) 1740-50 1645-50 10,859 lots Zinc (\$ per tonne) Ring turnover 9,775 tonne 11,241 lots LONDON BULLION MARKE POTATOES E/tonn

Gold (fine oz) \$ price 94.5 93.0 104.0 104.0 173.5 162.0 187.5 182.0 93.0 100.0 228-2281₂ 2271₂-228 227.549 228.038 373¹2-374 ng 375¹4-375³4 ng fix 374.25 non fix 373.80 159.4 170.0 Close Previous High/Low £ equivalent \$ price 153.00 147.50 146.60 384-389 384-389 384-389 384-389 373-375 88-89 88-89 622-25-530-55 234¹2-237¹2 234¹2-237¹2 234¹2-237¹2 234¹2-237¹2 227¹4-228¹4 53¹4-54¹2 53¹4-54¹2 318.05-323.10 Mapleleaf Sritannia US Eagle Angel Krugerrand New Sov. Old Sov. Close Previous High/Low 1737 1646 1493 1574 1610 1615 1749 1746 1656 1505 1574 1610 1623 1748 1750 1737 1869 1848 1515 1492 1574 Silver IIx p/fine oz US cts equiv 336.25 347.05 353.20 379.60 550.40 583.75 577.15 603.95 Turnover 227 (947) **GRAINS** E/tonne Clase Previous High/Low Calls Aluminium (99.7%) Puts 116.50 117.85 118.50 105.70 105.70 108.00 107.85 111.25 111.15 114.20 117.30 118.00 105.65 107.85 116.50 117.10 105.65 107.85 111.20 114.10 Strike price \$ tonne Jul Sep Jul Sep 391 231 117 208 116 59 12 50 133 98 189 336 Calls Copper (Grade A) Close Previous High/Low 40 75 126 188 125 78 191 140 99 107.85 103.70 106.60 109.40 112.10 113.20 108.30 103.20 105.15 109.00 111.65 112.90 108.25 108.00 103.70 103.50 106.75 106.50 Turnover: Wheat 95 (120), Earley 43 (19). العال Sep العال Sep 105 79 69 57 81 111 PIQS (Cash Settlement) p/kg

52 26 15

US MARKETS

to 9,550,000

IN THE METALS, the dollars rally to its prompted strong sell-offs in the gold and silver markets, reports Drexel Burnham Lambert, Jame gold fell to low of \$375.20 while the July silver bottomed at 556c. Increased stocks are still pressuring the copper market as the futures sank 495 basis July. latinum was down on carryover selling from the metals. In the softs

sell stops weakened the sugar with scale down trade buying providing support. Cocoa prices were lower ollowing the lower sterling. The grain markets featured lower prices in the sov complex with bean oil futures posting the biggest decline from stop-loss selling. July bean oil closed down 77 points. Wheat and corn were mixed in lighter volume. The livestocks satured lower prices in the belly futures due mostly to the large amount in storage. Cattle was also down as bear spreading ahead of Wednesdays cattle on feed report was noted. Live hogs gained as lighter than expected hog runs were supportive the market. The energy futures all advanced on

New York GOLD 100 troy et.; \$/troy ez. Close Previous High/Lov 377.9 378.9 380.8 382.4 386.6 .390.7 394.9 299.2 375.6 376.5 376.4 380.0 384.0 368.0 392.1 390.3 400.5 0 376.9 May Jun-Jul Aug Oct Dec Feb Apr Jun 380.3 384.2 388.5 391.3 395.8 400.0 PLATINUM 50 tray az, \$/tray az. Previous High/Low SILVER 5,000 troy oz; cents/troy oz. Glose Previous 563.5 555.6 561.0 570.7 584.1 588.4 697.5 606.9 616.4 582.7 602.1 611.6 621.4 COPPER 25,000 lbs: cents/lbs 120.00 119.00 117.75 116.35 124.60 123.10 122.70 119.70 121,00

Chicago CRUDE OIL (Light) 42,000 US galls \$/barrel Previous High/Low 20.09 18.82 18.19 17.83 17.60 17.43 17.07 18.98 20.50 18.00 18.26 17.84 17.63 17.40 17.00 16.90 20.55 19.06 18:32 17.90 17.63 17.41 17.08 16.95 18.74 18.08 17.73 17.51 17.36 17.00 16.90 HEATING OIL 42,000 US galls, centa/US galls Previous High/Low 4910 4805 4830 4890 4955 5020 5110 4850 4870 4910 4985 5030 5140 COCOA 10 tonnes;3/tonnes Close Previous High/Low 1250 1172 1180 1186 1196 1198 1243 1163 1169 1173 1178 1188 1224 1230 1168 1172 1179 1180 1190 COFFEE "C" 87,500tbs; cents/lbs Previous High/Low May Jul Sep Dec Mar May Jul 139.44 128.26 123.00 119.15 117.55 116.75 115.75 138.86 129.71 123.78 119.80 118.00 117.00 139.50 130.20 124.40 120.50 119.25 d SUGAR WORLD "I1" 112,000 lbs; cer 12.67 12.51 11.95 11.91 11.82 11.68 12.43 11.68 11.75 11.63 11.45 11,80, 71.67 68.30 68.50 70.35 71.85 72.35 COTTON 50,000; cleris/lbe Previous High/Lev 67.21 68.07 67.98 88.45 58.59 68.60 68.37 67,78 68,15 67,85 68,17 68,17 68,40 68,45 67.90 68.55 68.35 68.70 67.75 67.70 68.15 68.55 68.60 ORANGE JUICE 15,000 lbs; cents/lbs 188,75 192,70 185,55 175,90 172,00 170,95 170,40 183.15 185.85 175.80 172.10 171.10 194.70 - 186.75 - 175.50 - 171.50 191.80 184.80 174.75 171.50 171.00 May Jul Aug Feb Mar May

BOYABEANS 5,000 bu min; cents/600 bushel Previous High/Low 748/0 733/4 727/4 711/2 702/4 710/6 722/0 725/4 757/8 742/4 734/2 716/0 705/4 714/2 724/0 727/0 761/4 747/4 740/4 726/0 715/4 724/0 732/4 736/0 747/0 733/0 727/0 710/4 702/0 710/0 721/0 725/0 SOYABEAN OIL 60,000 lbs; cents/ib High/Low 22.47 22.83 23.07 23.27 23.40 23.97 24.13 24.70 23,30 22.40 22.81 23.05 23.25 23.40 23.95 24.13 24.70 23.76 24.00 24.25 0 24.90 0 25.40 SOYABEAN MEAL, 100 tons; \$/ton Previo High/Lo 219.7 218.2 216.1 213.2 209.2 207.5 207.5 206.2 205.2 220.5 220.1 217.1 214.0 208.5 206.7 206.2 205.0 - 204.5 222.0 221.9 219.0 215.5 210.6 209.5 208.0 207.5 205.0 MAIZE 5.000 bu min; cent 280/6 276/0 264/4 260/4 267/2 269/0 270/6 278/2 274/4 262/4 - 268/4 265/4 267/4 263/4 276/4 275/0 263/2 260/0 266/2 260/0 270/4 WHEAT 5,000 by min; cents/ Previou 418/0 405/6 416/4 429/0 435/0 426/0 416/4 408/2 415/2 427/2 433/0 422/0 LIVE CATTLE 40,000 lbs; c .Close High/Lov 72.20 68.32 68.50 70.42 71.67 72.30 72.36 68.45 69.25 70.50 71.97 72.37 71.60 72.15 72.30 LIVE NOGS 30,000 lb; cent Close High/Lo 48.72 48.60 47.12 44.00 46.00 47.32 45.00 47.95 48.42 48.32 46.87 43.72 45.77 47.05 44.85 47.85 PORK BELLIES 40,000 lbs; ce Close Previou High/Lo 35.70 35.60 35.45 52.00 51.75

£ a tonne unless otherwise stated, p-pence/kg. c-conts/lb. r-nnggit/kg. v-Jul. u-May/Jun. q-Jun. Jun/Sep. w-Aug. z-Aug/Sep. fMeat Commission average falstock prices. * change from a week ago. **Clordon physical market. **CIF Rot-

expected to discuss the fixed price

There were 16,556 packages on offer including 5,000 offshore, reports the There were 16,556 packages on offer including 5,000 offshore, reports the Tea Brokers Association. A strong demand prevailed. Bright liquoring and medium East African teas were very well supported and often substantially deerer apart from the plannest and dust gredes which were irregular. Central Africans came to a much improved market and frequently gained 4 to 6p sometimes more. Ceytons met keen competition with quality sorts considerably op sometimes incle. Seyous the agent compestion with quality sorts considerably dearer. Ottahore teas met strong demand at dearer rates. Quotations: quality 190p, nominal (180p) medium 114p (108p), low

LONDON STOCK EXCHANGE

ality. Equities extend gains in slow trade

LONDON equity specialists sounded somewhat unconvinced yesterday by another firm performance from the UK market which saw leading indices again establish new post-Crash highs. UK stocks were taking their lead from the 56 point gain in New York on Friday, but turnover in London was disappointing, and the double digit advance in the FT-SE index owed much to gains in dollar-earning stocks, prompted by a further advance in the US currency.

ception of the inflation outlook was encouraged by further snapshots of the progress of the economies on both sides of

| | Dealing Dates |
|------------------------------|----------------|
| *First Deallogs: . Apr 17 | May 8 - May 22 |
| Option Declarate May 4 | |
| Last Deallage: May 5 | May 19 Jun 2 |
| Account Days | May 90 |

Were time dealings may take place from:

the Atlantic. The latest US data on industrial production and plant capacity utilisation did nothing to upset the better sentiment brought by April's producer price figure. In the UK, the Confederation of British Industry/Financial Times distributive trades survey indicated a continuing slowdown

in consumer spending. The pound's relatively steady performance against the German mark restrained anxiety over domestic interest rates.

Equities opened sharply higher and the Footsie was showing an 18 point gain as London waited for Wall Street to extend its advance. However, with the big investment funds clearly unwilling to chase prices higher, the early gains wilted before the close, despite a firm start on Wall

At its final reading the FT-SE Index was 14.2 up at 2,149.9, featured by the international blue chips and by the UK construction sector which

responded to reports that the UK Government plans to dou-ble public spending on new and improved roads over the next ten years. A more accurate picture,

however, was disclosed by the turnover details both for the market as a whole and for individual stocks. Two of the day's best gains came from Glazo and Reuter, the former return-ing trade of only 1.6m shares and the latter a mere 461,000. Seaq volume of 411m compared with 523.7m on Friday, and included a substantial proportion of inter-mark business. Despite its move into new post-Crash territory, the UK

market's recent performance

and Costain 4 to 337p. Rugby added 5 at 198p ahead of an analysts visit today.

spots in the builders mer-chants and again in the shel-tered housebuilders. In the lat-ter category McCarthy & Stone dropped 9 more to 227p with

marketmakers forecasting a

further decline in the stock to

possibly 200p a share aftrer the

recent profits warning. Anglia

Rechem, the waste disposal

group climbed 25 to 559p after

ilmost doubled profits and div-

idend, but Meyer Interna-

tional, the builders merchant,

dropped 14 to 403p, mirroring

widespread market worries

over falling sales and talk of

imminent profits downgrad-

Vivat Holdings, the leisu-rewear manufacturer, fell 8 to

75p after reporting a surprise £12.68m loss for last year.

The steep rise in the dollar gave a strong boost to Cable &

Wireless, up 10 to 540p on turn-over of 2.2m shares, and the Bacal duo, Electronic and Tele-

com. The former, whose share

price, according to analysts, is now determined by the perfor-mance of Racal Telecom

shares, surged ahead to close

16 firmer at 484p on 6.3m; Tele-com jumped 15 to 423p on 1m

after it was revealed that US

investors now hold some 13 per

the cautious accompanying

After last Friday's late and dramatic collapse of William Low's "agreed" bid all eyes in

the Foods sector sector were on the reopening of trading in Budgens. Marketmakers were

annoyed that the lack of a

clear explanation for Low's withdrawal left them "dealing in the dark" in Budgens, which returned at 110p, briefly bottomed at 105p, then closed back at 110p, down 36 from Friday's expressed with the state of 150 p.

day's suspended price of 146p. There was some demand at the lower levels and after good

two-way business turnover fin-

ished at 2.3m shares.

As expected, William Low regained some of the ground lost when the deal with Budgens was initially announced, but with the possibility of legal action.

action hanging over the com-

pany the recovery was restricted to a rise of 17 to

Crystalate lost 6 to 135p with the "quite respectable" figures, according to dealers, offset by

cent of the shares in issue.

ecure Homes fell 11 to 333p.

But there numerous weak

has been "marginally disappointing against Wall Street,"
according to Mr Ian Stephenson at Salomon International.
"The institutions are baulking at buying the market above FT-SE 2,100. I still think we will see the Index back to 2,100 again before we see it at 2,200."

Takeover interest was at a low ebb yesterday, and was hardly encouraged by the view from the Hanson boardroom that the time is "not ripe" for a major acquisition. Consolidated Gold Fields slipped lower ahead of this week's legal rulings in New York which are likely to bring to a conclusion the bitterly fought contest with

FINANCIAL TIMES STOCK INDICES Since Compilation Law High Low Government Secs 49.18 (3/1/75) 127.4 (9/1/35) (13/4)Fixed Interest 97.05 97.32 97.36 95.93 105.4 (4/1) (28/11/47) (3/1/75) Ordinary 1707-2 1779.1 1758.7 1763.4 1767.8 1425.3 Gold Mines 734.7 43.5 (15/2/83) (26/10/71)

TRADING VOLUME IN MAJOR STOCKS

10.81 10.92 11.16 11.04 27,173 23,263 1240.09 1770 Ord. Dl. Yield Earning Yld %(full) P/E Ratio(Net)(수) P/E Ratio(Net)(±) SEAQ Bergains(5pm) Equity Turnover(2m)† Equity Bergains† Shares Traded (mi)† 11.23 29,764 29,996 483.8 Ordinary Share Index, Hourly changes

●Opening ●10 am. ●11 am. ●12 pm. ●1 pm. 1787.9 1788.3 1785.2 1787.7 1789.1 DAY'S HIGH 1790.9 DAY'S LOW 1784.2 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/65, SE Activity 1974, ANII 11.14 †Excluding intra-market S.E. ACTIVITY May 12 May 11 87.9 76.3 Gilt Edged Bargains Gilt Edged Bargains 193.0

Propi 8t of Suntand... Rocal Inserance....

Wellcome out of favour

A weak spot in a firm market pharmaceuticals group, as several bearish factors prompted selling of share options which was quickly reflected in the underlying shares. City analysts returned yesterday from a Wellcome seminar in the South of France.

The shares, finally 12 down at 457p, were assailed by hints of yet another rival to Retrovir, Wellcome's anti-Aids product. However, suggestions the Bris-tol-Myers' product DDI will be on the market within 6 months were discounted by Mr Jonathon de Pass at BZW, where the shares are regarded with

The seminar appeared to confirm some fears that Wellcome may lack strength in the major Continental markets, where it rates low in the lists of market share among pharmaceutical companies. At Nomura Securities, where the shares have been rated a sell for some time. Dr Erling Refsum commented that there are wider concerns that Wellcome may not be large enough to compete in the high cost, research and developmen driven world pharmaceutical

Colourful Kingfisher

Demand for Kingfisher showed no sign of slackening as marketmakers in the stock returned to their desks mindful of weekend press reports pointing to possible foreign stakebuilding in the stores group. The shares advanced another 5

But in spite of the strength in the Kingfisher price, dealers and analysts are treating stakebuilding and bid stories with scepticism. "The recent buying has not come from any one source and there is little evidence of anyone building up a substantial holding," said

one trader.

The market puts the run in the shares down to strong demand from institutions previously underweight in the stock, and the almost total absence of sellers. If there is absence of sellers. If there is any news on the horizon, one analyst suggested, it could well concern property disposals (involving sale and leasebacks) and perhaps some Americanstyle corporate restructuring.

Moreover, chartists have been quick to point out that

been quick to point out that having broken through the key 300p barrier, Kingfisher could

now be heading for 350p or even 380p before consolidation

around £10bn. RMC shares, heavily supported over the past few weeks, raced up to a year's best of 753p before easing back to end the day 25 higher at 751p. Turnover came out at 1.1m shares; "the rise was accentuated by a growing stock shortage," said one

"Looking at the company long term, you have strength in Europe, where RMC is represented in every EEC country, strength in aggregates, and the stake in the Lone Star business in California which looks a cracker," said Mr Ian McGre-gor, building analyst at Pan-mure Gordon. "The shares have had a hell of a run but they deserve their premium; taking a conservative view we expect annual growth of 15 to 20 per cent out of the company over the next two years," Mr McGregor concluded.

gain of 38 to 1295p, with Reuteralso performing strongly at 784p, a gain of 22. However, turnever in these stocks was not large and there was not a great deal of genuine invest-ment demand. BAT Industries (549p) followed the firmer trend of the sest of the dollar oriented sector. The sector is the sector of the dollar there is gamen 5 to 2020 for lowing the half time results at a bigger than normal 3.4m, was again impressive on what was a very quiet day for the market.

But in spite of the strength absence of any sign of the re-structuring plans which were

hinted at in the market last' The recently firm banks sector came under fire at the out-

Roads to success

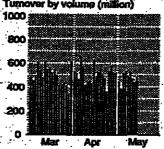
RMC, the concrete and aggregates group; were out-standing in a building sector-bubbling over with enthusiasm after a report that the Govern-ment White Paper on public spending on roads is expected to be published on Thursday of this week. The reports suggested that expenditure on roads and infrastructure could double over the next decade to

Among the dollar earning issues, Glaxo stood out with a

FT-A All-Share Index

1100 1050

Equity Shares Traded



set after the general election victory in Argentina of Mr Car-los Menem, the Peronist candidate said to have taken a hard line on debt repayment during the election campaign. "He's been reported as saying he will stop foreign debt payments, but it's unclear at the moment whether that will be the case; I think it's better to wait for a formal statement," said one banks analyst,

Midland Bank and Lloyds Bank were the worst affected of the big four clearers. Midland, with the biggest exposure to LDC debts, fell away to 334p. before steadying and closing only a net 2 off at 339p on turnover of 19m shares, while Lloyds, next in the LDC expo-sure list, were a similar amount down at 369p. Barclays moved up 6 to 482p while Nat-West, where turnover came out gained a similar amount to

620p.
insurance brokers burst into life with buying interest stimulated by the latest unsurge in the dollar and vague sugges-tions of redundancies at the big broking firms. "These rises have uncovered a couple of short positions in the market,"

NEW HIGHS AND LOWS FOR 1989

APPOINTMENTS

NEW HIGHS (187).
BRITISH PURGE (2) AMERICANS (23)
CANADIANS (72) EARKS (2) Cater Alico.
Sec. Pacific, Wintruct, SREWINS (1)
Galances, BULLINGS (13) CHENICALS
(6) STORES (13) ELECTRICALS (15)
ENGINEERING (2) PUODES (6) HOTELS (7)ANIGO RESEAURAND, SECURITALS (47) ADT,
Aberloyle, BEA, STR, Do, Wirrs, BH, Prop.
Bardon Grp., Backer Intl., Beepair, Blue
Arrow, Brit. Aerospace, Brit. Stat., Brit.
Vitz, Brooks Service, Capero, Charier Cose,
Chica Light, Christics Intl., Doen & Bowee,
Eurobusnel Links, Fuel Yach, Harrson, Do.
S. 75pc CV Pt. Do. 10pc CV Lr., Heweltorn
Leelle, Hulch Wirrip, IWP Intl., Jardine
Hidgs, Linkinse Thomasie, Lincelaul,
MacCarlane, Purified (5p., Pholo-Me Intl.)
MacCarlane, Purified (5p., Pholo-Me Intl.) Leebe, Hutch Wimps, IWP Intl., Jardine Hidge, Laidiner Thomason, Liteehall, MacCartane, Purklield Grp., Photo-Me Intl., RCO., Reders, Rotie & Nolen, Schlumberge Securior, Grp., Do. "A", Security Grp., Do. "A", Securiguard, Serire Psc., "A", Tech.

116) MCTORS (2) Jacks Wm., Culchs Grp., Newspapers (8) Papers (6) Property (9) SHEPRIS (8) Property (9) SHEPRIS (1) Graig Shipping, SOUTH AFRICANS (1) Barlow Band, TRUTLES (1) Foster (John), TRUSTS (167) OILS (6) OVERSEAS TRADERS (2) Cons. Abs. Corp., REA Hidge., Sime Darby, PLANTATIONS (4) MINES (6) Clogats Gold, Monanch Res., Rard Mines, THEM MARKET (9), MEW LOWS (26).
CANADIANS (1) Augmitto Expin., BRILDINGS (9) Anglés Sec., Carron Phoenix, Erith, Pederstad Housing, McCerthy & Bonné. CHEMICALS (1) Thurger Bardex, STORES (3) Gabloot, Knobs & Knoclers, String Grp., ELECTRICALS (4) Crystains, MSS.

(3) Gabloot, Knobs & Knoclean, String Grp., ELECTRICALS (4) Crystalate, MSS, Mth. Tolscoor. Pressuc, Problet (7) Budgen BESURANCE (1) PMS Hidge., LEBRIRE (1) Hennimer, SOUTH AFRICAMS (1) Aberton, TECTRLES (2) Leeds Grp., Lowe (Robert H.), CR.S. (1) Martiner, MBRES (2) East Road Prop., Kochemer, THESD MARKET (1) Epilel

noted one marketmaker. The 269p.

The features among the United biggest action was in Sedg-wick, where 24m were traded manufacturers were United Biscuits, up 7½ at 338p after it was revealed that two Swiss banks had bought 6m shares between them, and Hillsdown, where a large bargain of 1m shares helped the price gain 5 that 272p on typnover just short as the shares rose 9 to 257p.
Willis Faber jumped 11 to 237p.
The heavy end of the building sector scored impressive gains across the board ahead of the White Paper on spending the White raper on spenning on roads. Apart from RMC there were big gains in Redland, 19 up at 582p, Steetley, 10 firmer at 460p and Tarmac, 7 better at 225p on 3.6m. John Mowlem advanced 12 to 433p to 272p on turnover just short

investors and stormed to a new peak of 939p, up 41, but the heaviest traded stock among miscellaneous industrials was Blue Arrow. Renwed US sup-port mopped up further UK selling, causing little variation in the shares which finished unchanged at 99%p after vol-

Favourable mention in the weekend financial columns drew attention to many other stocks in the sector. English China Clays, bought for recovery prospects, rallied 11 to 500p, and ADT, favoured for hopes of a bid from Canada's Laidlaw Transport gained 4 to Laidlaw Transport, gained 4 to 174p. Cellnet growth potential attracted buyers to Securicor, up 35 at 845p, and Security Services, 32 higher at 635p. A newsletter claim that the

newspaper advice that the shares should be sold and settled 5 down at 348p. Chamber-lain Phipps dipped 7 to 213p following the success of Evode's all-paper offer, while SAC International came back 7 to 104p in the wake of lower first-half profits. Diploma traded nervously awaiting tomorrow's interim figures and ended 6 down at 244p while Norcros weakened late to settle 11 lower at 322p.

Eurotunnel units were again bought by UK and French

shares are due a major re-rat-ing lifted Wyndham 17 to 305p. BAA took another knock on

A rise in shares of Dowty was, according to marketmak-

2000 E (105. ...

ers, largely an expression of Srimgeour Vickers buy, which relief that the sale of its mining equipment subsidiary to management had at last been completed. The shares closed 10 up at 278p. Weekend press reports of possible Eurofighter contracts helped both Lucas Industries and Smiths Industries; the former improved 7 to 643p and the latter rose 81/2 to 312p helped also by a series of City presentations this week. Among motor distributors, Lyon & Lyon reacted 15 to 290p after rejecting a bid approach

from a mystery suitor.

Awaiting details of an agreed deal with Ogilvy Group, the US advertising agency, shares of WPP rallied 12 to 614p. Latest reports suggest that the UK reports suggest that the UK company will soon unveil recommended terms of around \$54 for each Ogilvy share. MIL. Research, a recent Citicorp last Friday, benefited from the outbreak of takeover activity within the agency/market research sector and ended 19 up at 229p. Clarke Hooper were also popular at 190p, up 9. Anglo-Eastern Plantations

of 10 to 98p following the com-pulsory cash offer of 96p-ashare from Chillington Corporation. The latter was obliged under the city code to make the bid after acquiring 2.1m A-EP shares from R.E.A. Holdings which took its shareholding to 52.2 per cent. R.E.A. has agreed to dispose of a further 3.7m shares of A-EP to certain institutions. Chillington closed unchanged at 157p but R.E.A. rose 14 to 195p. Other plantation issues moved higher with Rowe Evans gaining 7 to 73p

(A-EP) registered a sharp gain

and Williamson Tea rising 55 Capital Radio shares leant 42

to 858p ahead of the interim figures expected tomorrow. Mr Chris Akers at Citicorp Scrimgeour Vickers is forecasting a top of the range figure of £5.5m, some 50 per cent up on the comparable figure last year of £3.67m. Mr Akers expects a positive market response to the Capital Radio figures but recommends clients to "bank some of the phenomenal profits and switch into an even more exciting growth situation -Miss World whose multiple is trading at a 20 per cent dis-count to Capital's."

Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 27



Securities Industry QUALIFICATIONS

The International Stock Exchange congratulates the Securities Industry Diploma achievers of 1988 at an awards presentation today hosted by the Chairman, Mr Andrew Hugh Smith.

> The Stock Exchange award for highest overall marks: Mr CRT Stanley Kleinwort Benson Investment Management

The Hogg Robinson award for most subjects passed: Mr J W E Thompson, Barclayshare

The Woodhead-Faulkner awards for best individual papers: Regulation and Compliance Mr DS Borland, Cazenove & Co

> Interpretation of Financial Statements Miss N V Mallard, Charterhouse Tilney Mr R A Arthur, Barclays de Zoete Wedd

Investment Analysis
Mr R Hogan, Scottish Equitable Life Assurance **Bond and Fixed Interest Markets** Miss A M Ball, Legal and General Investments

Fund Management Mr R D Andrews, Guinness Mahon Investment Management Institutional Investment Advice Mr J P Sheehan, CL-Alexanders Laing & Cruickshank Financial Futures and Options

Mr A W Robson, private entrant Private Client Investment Advice and Management
Mr D S Macaulay, Bell Lawrie

n.b. Inclusion of Firm indicates sponsoring employer in 1988.

The Diploma achievers of 1988:

IM Adams-Cairns · RD Andrews · AM Ball · JN Bardner · SJ Barnham · B A Bayliss · V A Bedi · PJ Benstead DL Berger · JL Birch · NT Bond · KD Boscher · JM A Brown · NJ Buck · JA Butcher · TP Cherrett PD Clements · A H Conn · W J Cooper-Bailey · E A C Cottrell · J M Creighton · R E De Gruchy · C Dunne · P J Ferry R J G Fox · P J French · J H Garthwaite · G C Good · A H Goodchild · S J Gorringe · G L Graham · J B Green FK Hall - CJ Harper - RW Hepworth - PJ Hine - SR Hollis - MD Howell - R Hunter - RD Hunter - PA Isherwood GA Kingston · NT Lambert · C Landa · TR Leach · A M Lees · P M Lewis · N J K Liddle · M A Lord
RJ MacAlister · P Mahony · F A J Malcolm · N V Mallard · G K Marshall · N R Maslen · R J H McKinstry
TM McNie · J L Menzies · C J Middleton · T Munson · M J Murphy · T P Nelson · M R Paddon · I A Palmer · M Patel
J S Pearson · S B Pearson · A Roberts · I K Round · M J Sawbridge · W Scott · J P Skeddon · N J Sherialan
TR Scott · J P Skeddon · C P Sagar · C P Skeddon · M P Skeddon · N J Sherialan TP Simpson · R Singleton · GB Snow · R J Soper · CRT Stanley · S M Stirling · M F Stoddart · N R Swales S E M Tait · I D Tanner · N J Tester · J W E Thompson · P J S Todd · D Truell · J C G Turner · C D Waldron PA Watters · CG Wilkinson · I P Wilkinson · GJ Willey · SL Williams · RC Worts



The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited

Senior posts at Saatchi and Saatchi

Mr Terry Bannister and Mr Roy Warman have been appointed chief operating officers of SAATCHI & SAATCHI's communications group, *writes PHILIP* RAWSTORNE. Mr Victor Millar is giving up his role as chairman of the communications business to concentrate on Saatchi's consultancy group, where finance director, Mr Andrew Woods, becomes deputy chairman.

The moves continue the strengthening of Saatchi & in response to tougher business conditions.

Mr Warman and Mr Bannister, formerly joint chief executives of Saatchi's international advertising network, were appointed directors of the communications group which provides 80 per cent of Saatchi's income - and given seats on the main board a year

■ HARRODS has appointed Mr Jan Peacock as its director

■ JOHN MOWLEM & CO has made Mr J.C. Gains managing director of Mowlem Construction, a new division based on the joint resources of Mowlem Building and



Mr Christopher Smallwood has been appointed director of strategic development at TSB GROUP. He joins TSB from ICI, where he held a senior planning role.

Mowlem Civil Engineering He was previously managing director of Mowlem Northern.

■ Lord Birdwood has been appointed to the board of SCIENTIFIC GENERICS.

Mr Richard Perkins, formerly the senior property officer with Birmingham City Corncil's economic development unit, has been appointed assistant director at HIGH-POINT
DEVELOPMENTS, a member
of the High-Point Group.

■ Mr Stuart Ridge has become a director of BLETCHLEY MOTOR RENTALS. He was previously with Avica

Mr Angus Clark has been appointed managing director of GR-STEIN, the refractories division of Hepworth. He was managing director of P.C. Henderson. ■ Mr Steve Pollard has been

promoted from production manager to production director at FORTRESS INTERLOCKS,

a subsidiary company in the safety division of Halma. ■ Mr Barry Jervis has joined THORN EMI MICROLOGIC as sales and marketing director. He was sales director at Datachecker.

At ORBITAL COMMUNICATIONS Mr Charles Houre has become executive chairman and Mr David Varah finance director. Mr Hoare is executive deputy chairman of the Robert Fraser Group. Mr Varah was finance

director of the Citylink Group.

■ The LONDON BULLION MARKET ASSOCIATION has appointed the following as members of the association's management committee: Mr Robert Guy, chairman, Mr Doug Bull, Mr Kelth Smith, Mr Colin Griffith, Mr Martin Stokes, Mr Nell Newitt and Mr John Wolff.

■ Following Peabody Fine Foods' acquisition of F.J. Parsons & Co (Manchester), Mr Jim Dolan, formerly managing director of Parsons, has been appointed commercial director of PEABODY FINE

Mr Philip Burrell has become managing director of GYPROC INSULATION. Mr Chris Blackford will replace him as director and general manager of Landor Cartons, part of the converting division of Davidsons. Both companies are part of the BPB Industries

Mr John Hedges and Mr Richard Smith have been appointed to the board of the HENDERSON ADMINISTRATION GROUP, the independent fund management group.

■ Mr J.C.M. Stirrat has been appointed to the board of the BURN STEWART GROUP as a director. He joined the company as financial controller and company secretary in August 1988.

■ Mr Jeremy Pinchin has been made company secretary of the SEDGWICK GROUP. He succeeds Mr George Hilton who has resigned. Ms Julia Fish has become director of corporate communications.

■ Mr Jim Hughes has become

company secretary at ROYAL LIFE HOLDINGS. He was finance manager at Royal Reinsurance. ■ Following the retirement

of Mr Rene M. van Dwyck, Mr Emrys Thomas has been appointed managing director of TRICO-FOLBERTH. Mr Thomas was a director of TRW Cam Gears.

| | | FIUNII | IKOSI IKL | ORMAIION 35 | INVICE | Unit Trust Code Booklet ring the Fi | |
|--|--|---|--|--|--|--|--|
| AUTHADIAED | Init Case. Not Offer to Vietel Cargo Price Price Price - Gr's | hat Canc. Bid - Other + or Yield Chiga Price - Price - Price - Bir's | Enti Carra. Mid Offer + or Victo Carpe Prior Prior Prior - Gri | latt Gasc. Blid Offer + or Yield Charge Prior Prior Prior - Gris | Light Course, Shall differ that Yields | | telt Care. Bill some 3 Vide Cores. Price Price Prior 1 Cores. Smith & Williamson Unit To Mayor (2008): |
| AUTHORISED | CCL Unit Trusts Ltd (1400)F 74 Shepherts Bush Grep, W12 850 UK (Seweral Tru 5) 5 18 81 35 72 99.591-03/2.70 Global Tet 5) 42 91 43 14 46 14 43 12 30 Recovery Im 32 13 13 15 36.44 63 24 63 11.72 | Central Ct. Knoll Rise, Organistra, BR6 0JA 0689 70538 St. Elem Trest | wett (Julius) Unit Migurit Ltd (1000)F ickleton Roose, 4 Battle Britisp Lase, Losdon SE1 578 7979 | Licyds Bk Unit Tet Mgrs Lin (1900)F PO See 63, Chathasa, Kent ME4 4YB Dealling 0634 834313 | Midland Unit Trusts Ltd - Cootd Japan Growth 6 25.20 13 6 - 59.08 - 8131 0.00 Managed 6 34.25 55.66 53.57 0.47 14.66 Moory Mariet 6 32.07 22.08 53.19 0.00 1810.02 Moorb America 6 34.39 55.42 53.98 14.19 10.02 | Provident Mutual Unit 157 mars Cus 1047 TOL 7 | Smith & Williamson Unit 12 May 01-257 (1-27-277) Reding Rose S. Lordes W12385 (01-27-277) S. W. Assencian 51 154.6 156.6 157 7-14 41.61 S. W. Kasencian 51 154.8 156.6 157 7-14 41.61 S. W. Growth 51 154.8 174.1 17 |
| UNIT TRUSTS | CIBC Unit 7st Managers pic (1200)H | Equitable Units Admin Ltd (1600)F | | Balantas | Honoy Mariet | PM 4555 44 20 47 18 49 184 55 511-0-210-47 | IL-If Yet Mons Ltd LiburyF |
| Abbey Unit Tst Magrs (1060)H 80 Holdenhara Rd. Sourcemouth 0345 717373 High Islamer American Income | Growth Fd Acc 51107.5 108.8mi 114.81+1.215.27 CS Fundi Managers Limited (1000)H 125 Hush Holbors, Loador WCIV 6PY 61-242,1148 | Parties St., April 2017, 1923, 1721 and 1931 and | d & Minerals | De (Accom) | Empress Greeth 6 221 22 559 42 03 6 6 k & Phys let 6 75 75 7 6 k 7 12 10 10 10 10 10 10 10 10 10 10 10 10 10 | Productial Holborn Unit Tets Lie (1945)77 S1-49 Merd Hall, March Esser (61 20). 01-478 3377 | Soverage Control of Burneroush 0202 298222 Craftle Periodice 51 50.07 50 77 54 07 10.116.92 Craftle Periodice 51 50 50.07 50 77 54 07 10.116.92 Craftle Periodice 51 50 45 764 48 92 4977.01 Craftle Control 51 52 53 67 56 1744.00 001.4842 00 001.01 67 001.01 |
| High tec Equity 6 133 0 136 1 144 7 +1514 39 | | Grit & Frai Int | open Gerth 54 157 9 54 77 54 77 50 37 141 11 17 10 10 10 10 10 10 10 10 10 10 10 10 10 | See Institute 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 | Money Market 6 50 43 50 44 53 45 45 40 10 10 10 10 10 10 10 10 10 10 10 10 10 | Hothard Entity5562.37 570 636507 54 277 273 | charter Life Tst Mount Life (0459)H |
| American Growth | Canada Life Unit Tst Mgrs Ltd (1200)F 2-6 High St, Petters Bar, Herts Can Sen Ols | | anville Unit Tst Mingant Ltd (1780)F nat Lane, Loadon EC3807 01-021 1212 html | | Britis | Hofbarn Hall Grib 6(11) 36 115 38 123 401-1 47 1 03 Hofbarn Hall Grib 6(11) 36 115 38 123 401-1 47 1 03 Hofbarn Hall Sm Co. 6(5) 31 51 31 54 87 40 100 03 Holbarn Hall Sm Co. 6(5) 31 51 31 54 87 40 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | George St. Ediabandt EN2 274 Stanger Acc. 3 30 73 30 73 32 65 40 32 20 Manager Acc. 3 37 37 37 60 40 04 40 52 24 |
| Commits & Energy 6, 58.43 98.43 105.31+1.51 00 1992 Enterprise 6, 57.00 58.17 61 88.40 77.291 | 26 Migh St, Potter BJP, Ners Can Sen Dist | Higher Inc Acc 54, 384 7 388 444 313 214 49 4 65 Se Higher Inc Rec 54, 279 2 251 84 279 81 294 65 Bri Galles F val Im Acc 5 116.0 116 0 122 114 508 72 Galles F val Im Acc 5 80 53 80 53 84 76 40 298 72 Cy | | Na record and services in 14474 123 3040 137 34 | Morta American | Holloon Japanese 6185 61 85 81s 91 77 2 11 0 61 Holloon Min Autor 6185 61 85 81s 91 77 2 11 0 61 Holloon Presier let 6142 77 42 374 45 431 4 0 0 17 2 2 1 1 | Lik Co Hilph Inc Inc 5 3 25 64 33 9 mm 38 21 60 au mai The County Con 1 64 5 3 3 64 35 6 6 70 21 11 6 4 10 0 IN County Con 1 64 5 3 7 5 7 7 7 40 00 6 40 3 2 30 IN County Con 1 65 3 1 60 3 2 7 3 3 7 7 7 6 4 2 9 3 IN County Con 1 65 3 1 60 3 2 7 3 3 7 7 6 4 2 9 3 7 7 6 2 3 6 2 7 7 8 7 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7 |
| Japan | Cappon Futer Managers Ltd (0/00/11 1 Olympic Way, Wenbley, IAS ONS 01-902 8876. Dealing: 0800 2826.21 Growth | | estaurs Unit Tet Mingrs (1000)F control III Southerntons 190 1187 0703 212000 owan Certi | Do (Account) | MIM Britannia Unit Tat Mars Ltd (1000H 11 Devocalin Square, Louise, 2024 478 01-626-3434 Call free Public Dealing 10000 010733 Internetiary Dealing 10000 010733 | | Ult Larger Cos Sec. 76, 287 9 250 1 271 6 4 2 9 9 7 1 Ult Larger Cos Sec. 76, 270 2 222 2 231.1462 6 5 77 Ult Larger Cos Sec. 76, 270 2 222 2 231.1462 6 5 77 Ult Larger Cos Sec. 76 2 2 2 2 2 2 2 2 2 2 1 1 4 0 1 1 1 3 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| UK Growth Acr. 6 1702 4 202.4 216 5 40 811 04 UK Growth 013 b 1134 9 1134 9 1144 1143 1105 US Emerging Cos. 6 131 74 133 5 56 76 12 20 00 receive & Growth 6 20 22 70 1313 134 513.27 Ethical 6 149 09 50 29 53 49 40 42 2 34 | Ter Case 4 27 34 .0. 47 .75 .20 45 40 5 10 5 10 5 10 5 10 5 10 5 10 5 10 5 | Brit Fridentis Inc51, 52 91 52 91 56 29 40 53 6 39 MU Global Opps | | Do (Accessed) 599-21 399-22 392 13-115 2 00 UK Grossel 596-14 66-14 73-36-18512 29 Do (Accessed) 916-10 66-01 73-41-40512 29 Brotherist Getth 5221-97 220-97 234-58-11-507 29 Do (Accessed) 5124-32 314-32 334-38-12-110-73 | UK Section by Treats Critical Coll | British Income | Far East Pot |
| Altrust Management Ltd (1000)H 10 Queen Terraca, Specifien ASS 102-018000 803590 America & Growth 5 5 2 2 7 8 6 2 4 3 5 5 14 14 0 0 0 European 5 4 9 1 5 1 5 1 5 1 5 1 1 1 1 1 1 1 1 1 1 1 | Jasen 4 5 5 101.6 101.6 108 71-5 710 01 init Corresty Bd 5 5 120.0 42 094 46 21-0116 72 Stratest Opes 5 154 20 55 684 59 56 14 17 1126 Capability Trust Mingrs Ltd (1200)F | Exeter Fond Managers Ltd (1400)F 23 Cathedral Yard, Ester ECJ 118 0392 41,2144 51 67 of Intr 183 - 5124 52 24 85 26,444-65 (1.39 6m high lecome 55 49,03 50 754 53 50 40,119 27 6m Capital Growth | ofand Massagers Limited (1200)H Betwent Rd, Univigo, Middu UBS 1R2 (1895-59783 Rauf American5) 97:32 98:53 103:7(-2011.04 had Astralian ₉ 5) 54:32 65:92 67:39(-13)[2:58 | Winslade Park, Exister FXS 10S 0392 282673 | Small from (-1, 5-4, 5-4), 27, 10, 27, 13, 422, 428, 13, 77, 54, 627, 428, 13, 77, 78, 78, 78, 78, 78, 78, 78, 78, 78 | Reliance Unit mayrs. Ltd 100001 (1992-1900) Reliance House, Turbridge Wells, Cost (1992-1900) Reliance House, Turbridge Wells, Cost (1992-1900) Reliance Unit (1992-1900) Reliance Unit (1992-1900) Reliance Unit (1992-1900) Reliance (New August (1992-1900) Reliance | 55 Charlette Sq. Louisseek 931-276, 271 Asserticate Sq. Louisseek 9 296 9 295 9 145 6 6 6 6 1 Accord United 9 5 1276 9 276.9 292.8 45 5 6 6 6 1 Accord United 9 5 1276 9 276.9 292.8 45 5 6 6 6 1 Withdrawal Dutal 9 5 127 9 167 9 127 5 19 1 4 6 5 9 |
| Entra Income 5 43 44 43 44 46.371-0 40 5 01 FERI Energ Econ 5 42 55 42 70 45 74 9 75 1.00 | Admin, 5 Rayleigh Road, History, Brestwood, Esses Enguiries 02/7 22/7300 Dealing 02/7 26/1010 American & Gen 5 72.80 73.65 78.35 -2.73 1.55 (Access Units) | Capital Growth | med Autoritim 4 5 44.83 65.72 67.79 (4.13)2.59 (see Berl Inc. 5 4.83 52 52.77 55 66 (4.13) 5 89 180 68 67 180 5 130.2 131.44 119.9 84.490.2 00 three European 5 130.2 131.44 119.9 84.490.2 00 three European 5 111.4 113.5 119.5 44.693 10 three Girls 13 71.16 71.37 73.38 45.38 248 three Japan 5 133.1 135.6 163.8 45.90.0 00 | Serveral 5 14.78 54.644 60 15 1412 150 150 150 150 150 150 150 150 150 150 | Managed Interpt 54, 66,80 68,80 73,74 48117.96 Rapit Childran 14 54, 55,59 56,59 59,33 4712.51 UK Growth 54, 43,72 43,724 46 45 450 2.65 High Jacoma Planta | Rigck Asset Bigsmt (Unit 1792) 225 D077 Park View House, Frost Street, Benton (1941) 215 D077 Revicable work Tyre NET 712 Exempt Managed 5157,96 58.70 62.441 15.38 | Access Units |
| Parti Inv 18 2 1600 6 1601 6 203 5 5 5 42 60 00 Account for 18 5 6 2 60 00 Account for 18 5 6 2 60 5 21 85 2 3 3 3 3 1 10 2 3 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 | Far East & Gen 5 64 53 64 88 69 05+002 0 | FS Investment Managers Ltd (1200)H Ga | ardian Royal Ex Unit Mers Ltd (1200)H ardian Royal Ex Unit Mers Ltd (1200)H al Exchang, London ECSV 3LS 01-488,9903 | M & G Securities (y) (8915)H | Extra leconor 51, 79-97 60 90 85 96 438 5-29 Gir 51 51 51 51 51 51 51 51 51 51 51 51 51 | H.M. Ruthschild Fond Mgrat (1090)F St Seithfu's Lase, Loaden EC4 Dealers (01-220-5000 RC America (bc) | Demonstra 9 |
| Secure Income | Glerithars | AMERICAN RE 6 20 /0 20 /0 30 33 PUBL 0.79 Est | Dest 4 | Oct Services 01-626-658 Unit Deating 0245-266-266 here 6-60-cent - 50-3.7-0 273.8 275.8 275.1 21 Closen United - 50-3.7-0 273.1 310.0 447 01.21 Artis Recovery - 500.07 273.1 310.9 47 01.21 (Account United - 511.37 315.9 334.1 46.8 8.0 Amer Sentir Cos - 55.24 56.3 595.1 40.0 0.00 (Account United - 517.3 57.4 60.7) 41 20.00 | Orkinsterio - 5-1 (44.2 44.2 47.10 1582).71 - 580(5.67) Commodicy-Stores - 5-1 (44.2 44.42 47.10 1582).75 Physical Storette - 5-1 (44.2 44.42 47.10 1582).75 Color - 5-1 (42.6 42.42 47.10 1582).75 | | Sum Alliance Unit Tst Magnit Ltd (2200)F See Alliance House, Horstam (Add 5629) (Mally 1888) |
| UK Top 10054 25 81 25 81 27 55 -0 20 3.25 | Occum Brieto 5 399 4 38.2 2 39 3 4 3.7 1 3.64 staster Portfolio 1 1 7001 7807 in 8090 48 2 42 (Accum Units) 1 5 8236 82-2 88-4 103 2 42 Special Sits 5 6 7 8 | 100 (ACCUST) 51 / 5. / U / 6 / U 61.371*U.*G11.45 Par | with County 5 243 6 248 8 116 1 - 13 278 exhibit 5 4 162 4 171 1 472 2 4 3 163 4 171 1 472 2 4 3 163 4 171 1 472 2 4 3 163 4 171 1 472 2 4 3 163 4 171 1 472 2 4 3 163 4 171 1 472 2 4 3 163 4 172 3 163 4 172 3 173 1 473 4 173 4 173 1 473 4 173 1 473 4 173 1 473 4 173 1 473 4 1 | Amer Smile Cos | Social Specialist Funds 144,44 145,54 125,51 128,11 127,01 128,14 125,51 128,11 129, | AC Smitr Cambrid. 6-07.5 85 215-85 225-96-02 7411.76. 8C Smitr Mr. Cox | Service Servic |
| Acoro Unit Trust Managers 1td (1100) 1 White Hart Yd, London Bridge SEI 1NX 01-407,5966 | Accom Units | | | Curried 5 12-3 13-8 12-3 12-3 12-7 Curried 5 12-3 12-1 27 Curried 5 12-3 12-3 12-3 12-3 12-3 12-3 12-3 12-3 | American Ground 54, 34, 71, 34, 71, 37, 06, 24011.38 US Smaller Cos 54, 72, 86, 72, 86, 79, 05, 189, — | UK leases54_55_09 57.17 60.181-1610.00 America54_55_09 57.17 60.181-1610.00 | party iscount 5 72 04 72 04 76 64 9 44 43 65 65 65 65 65 65 65 65 65 65 65 65 65 |
| Ethical Tr | P B Box 352, 7 Devoishire Sq. London Clarin 440 01-626 0566 American Index 51, 122.9 124.5 131 7 +3 7 [1.8] | | iid Management Lid (1600)# Irshur Square Lopice ECZA IRT (11-6382413 dirti Cap 5's 400,9 40,094 23,01413161 | | According to Acco | Services | Sun Life of Canada Unit Mgrs Ltd (0905)kt Lassaylev, Balleytub, Hars 1000525725 Ki John S. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| Citros Perri - e/ 40 49 50 40 53 62 40 15 1.50 Global Score Pidols - 6.48,95 5.22 55 34 74 618 4.00 IPS income 4.6401 6 50 27 50 27 54 23 4.06 7 00 St kaceva 5.640 8 53 86 02 46 77 52 17 17 4.28 4.55 92 8 64048 5161 60 - 5 40 24 50 01 53.444 6.314 56 Bayesmar Princis III 347,44 42 55 51 341 49 42 56 Bayesmar Princis III 347,44 42 55 56 33 44.04 12 50 AECHA Unit Trusts Ltd (164001) | Capital 5.34 625 4 638 6 489 4 72 72 77 77 78 78 78 78 78 78 78 78 78 78 78 | American | mness Mahon Unit Tat Mgrs Lid (1000)F Box 442, 32 S. Mary-at-Hill, EC3 01-423 9333 opana Growth 9 54 86 55,94 99 30-14210 80 file Growth 5 53.36 52,044 55,840 480,50 bill Growth | Access United 5 1957 5 1967 6 2101 2 413 4.85 European 5 21.0 2 52.0 2 77.0 -0.5 1.00 (Access United 5 516.0) 517.1 137.7 -0.5 1.00 (Ectra Yield 5 52.0 2 54.7 36.8 4.3 56.0) 140.0 (Access United 5 52.4 47 36.8 4.3 56.0) | Accom Uses 54, 44.31, 44.39, 47.63, 438, 0.43 | Many Flavor Schmidt 55-38 56-16 59 12 40.72 40.00 10 40.72 40.00 10 40.72 40.00 10 40.72 40.00 10 40.72 40.72 40.00 10 40.72 | Sem Life Trest Magnet Ltd (12007H) [OIL Camon St. Lordon EDAN SAD Maken & Eng. 01-606 9044 Desire 01-604-610 pp |
| Buckson Frank BK _ 5 47.49 48 25 51 34 - 6 49 2 50 8 buckson Frank M _ 5 151.96 52 95 56.33 - 0.49 2 50 AEtna Unit Trusts Ltd (1640)1 | Nth American 54, 279 8 28L1 300 dl +7 51 90 Europea Indea 54, 97.34 98 19 103.9 +0.1 2.09 Japan Indea 54, 93.90 94.69 100.2 -0 11 — Canital Monroe Unit Tet Mors (0905)H | Private Citetts 0800 41428. Private Citetts 0800 41428. American Select Selec | hal Growth — 5 50,38 51,11a 54,68 4,00 0.80 revy — 5 50,38 51,11a 54,68 4,00 0.80 revy — 5 50,34 51,34 64,35 54 4,10 1.80 h lacome — 5 72,5 1a ,25,62 37,30 4,66 5,36 kecome — 5 72,5 1a ,25,62 37,30 4,66 5,36 kecome — 5 72,5 1a ,25,62 37,30 4,66 5,36 kecome — 5 72,5 1a ,25,62 37,46 31,32 4,62 50 36 ke Br So Oki H, \$25,70 32 74,03 31,46 11 32,41 kecome — 5 72,40 37,70 37,40 31,40 4,50 5,4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 | Geosem Umito) 5824 47 836.3 884 4 +6.15 07 Far Eastern 5194 98 199.2 211.1-2.810.68 (Access Umito) 5245.00 250.3 265.3 47.6 0.68 Fund of lay 18x 5 505.16 348.24 372.1 +3.12.43 (Access Unito) 5245.94 14.4 654.3 +3.12.43 | som som 4.0000 _50 11.99 11.99 24.111.4001 _1.68 into 1.60 into 1. | UK Income 54, 51,600 5225 52,502 52,502 52,6 | Laster Portrolls . 34 33 87 38 89 41 57 4 59 2 26 26 26 26 26 26 26 26 26 26 26 26 2 |
| AEURA UTRIT 1 11255 E. LEO 1 1 200 1 1 1 200 1 1 200 1 | Capital House Unit Tst Mgrs (0905)H Capital House, Festival Square, Edibburgh 731-229 4477 European Gest (2) - 54 (24 88) 24, 96 - 25 55 40 09 12.89 bustone & Gest 5 4, (20,63 20,81 22 13) 49 25 4 59 | Erropes - 54 88 75 88 75 98 74 1450 00 Do 1992 Erropes - 54 88 75 88 75 97 94 14 10 00 Do 1992 Erropes - 54 8 30 71 30 77 95 72 94 17 10 00 Do 7 Februs Reservation - 54 46 46 46 46 10 10 10 Do For East Inc 55 42 42 42 44 44 52 11 10 Do 60 6 Februs Inc 50 27 98 27 98 22 41 10 58 54 | sie Bar Se Cola 4 289, 90 289, 90 301, 40 1, 111 5, 41 Accuse 4 902, 30 492, 30 420, 00 4, 5013, 41 jet Bar USM loc _ 24 1, 17 1, 20 1, 17 1, 20 4, 185, 10 3, 27 Accuse 2 1, 184, 90 1, 184, 90 1, 199, 90 3, 27 | General Units | Japan Smaller Onc. 54, 30,60, 30,60, 32,50, 4287 | Canadian 51, 40,97 41,59 45,78 6 62,0.00 (Agtralasian 51, 40,97 41,59 45,78 6 62,0.00 (GR 51, 51, 52,39 52,48 55,24 61,78,0.00 (Depost 51, 53,45 51,34 54,04 65,0.00 (Managed 51, 56,12 56,82 59 80 41,710,00 (| 2ap Protector Acc 54 25.79 27.79 27.91 27.91 14.11 14.21 2ab Protector Icc 54 26.94 26.94 28.81 14 704 62 2ard Strongth Acc 4 - 54 50 19 50.99 34 54 10.21 10 50 2ard Strongth Acc 4 - 54 27.24 27.24 24 86 10.23 17 08 |
| Far Eastern F | Intri Gath (2) 51 23 40 23 594 25 09 19 38 2.72 | | | Gald 540.61 40.7 43.0 40.2 1.76 Geometricus 544.56 44.50 47.2140.21.76 High Income 545.74 469.3 489.945.05.71 Geometricus 510.0 40 1382.9 1482.4 48.75 11 | Clobal Income54, 66.98 66.98 77.94 478 3 4 fail Bond | Deval 1 ife Ed Marrit Ltd. (1000)H | Fre East Gethat V 54, 77, 79, 77, 79, 83, 2014 GED 00 or East Gethat V 54, 77, 79, 77, 79, 83, 2014 GED 00 out Growth Arx 54, 43, 35, 43, 35, 46, 36, 42, 40, 34, 43, 43, 43, 43, 43, 43, 43, 43, 43 |
| Machine Delist 1.00 280 7 280 280 7 280 280 7 280 | Ith Crenth 7s5-L 21.64 21.86 23.25-0 20.15 70.15 | | umbra Generali Fund Mgrs Ltd (1000)F ile, 5 Rajdish Bd. Hettin, Brethanod Guer siries 02/7 22/300 9-00 - 00 ballon 02/7 24/010 porty Share | | Paise Git & P 2168.01 68.01-69.751-1518.41 | Workeride Equaty 5 25 68 60 23 71 53 67.11 1.00 1.00 1.00 1.00 1.00 1.00 1.00 | IK Growth Acc 54, 30, 26, 50, 26, 53, 79 (0.3)(2.3) IK Income Acc 54, 34,17, 54,17, 51,7, 57,40,594, 42, IK Income Inc 54, 47,07, 47,07, 50,34, 0,514, 42, Regis Granth Acc 54, 63,49, 63,401, 67,81,40,778,31, Income Man York (56, 54, 69, 49, 70,794, 75,7), 10,378,12 |
| Her Barmons F 5 216 8 216 the 229 6 10 9 2 49 We can Units F 5 236 1 331 1 350 6 +1.4 2 49 We can Units F 5 102 0 103 9 110 6 +1.2 0 9 We can Units F 5 107 5 109 5 116 6 +4 4 9 2 | European Perfatio: 5151.13 51.40 54.981-027[1.50 Charinton/Cikarinharett (1.000)F 33 Klog William Street, EDIR 945 03-20,280 280 Circo ins 6437 (0 - 21 266.1 264.5 681.3 7-01 264.0 06 Circo ins 6437 (0 - 21 266.1 264.5 681.3 7-01 267.0 06.5 681.3 7-01 267.3 7-01 267.3 7-01 27 | Sorth E. Asia 54, 55 13 53.13 58 76 48.80 0 42 Special Sits 54, 342.6 344 1 369.1 -35080 33 Ha | nsbros Unit Trust Managers Ltd (1000)F | Japan Smaller Cos 5 128.66 129.64 137.3 -0.4 0.00 | Minutes From Measure 1 td /7000VF | City 5 26.69 28.07 40.17.47 52.69 28.07 40.17.47 52.69 28.07 40.17.47 52.79 52.7 | high home is: 51,140,84 61,3946587149.594.33 |
| Jupan Gerth (Acc) F 5 171.4 171.4 183 3 40 2 0 NU Amer Gerth F 5 134 9 134 9 134 7 44 2 2 2 (Accum Units) F 5 160 1 160 1 171 8 45.1 2 2 Preference F 5 122 5 125 bat 133 1 9 1 10 6 | Cinco Acc May 10 2 664 5 664 5 661 2 4 00 9.69 Culare Ioc May 10 2 168 7 168 7 154 2 4 260 3.61 Culare Acc May 10 2 162 1 162 1 168 0 2 200 61 Chase Manhattan Fund Mers Lid (1600) | Fidelity Select Personal Percise Pertinoles Adn Americae | nin 5 Rayleigh Rd, Histori, Brentward, Essex 1027 227300 Destine 0277 251010 1 Erekty nr. — 5 94.88 60.22i 65.88i 41.07i 6.25 ndian | Hiddand 518868 1041 0ar1100.9145.441.07 Access United 5284 9 280 2 2971.8 144 714.07 Peoples et 2568 25 668.4s 689.1 44.914.36 Recovery 5820 48 865.2 915.0145.513.88 Access United 5820 48 865.2 915.0145.513.88 | Minster Horse, Arther St. ECRI 984 103 423 1050 Minster Horse, Arther St. ECRI 984 103 423 1050 Minster 1153, v 154.5 155, b 25, 25, 25, 25, 25, 25, 25, 25, 25, 25, | IS Great Accent 5167.56 67 71 7204149 PE 07 61 15 Great Bott 5164.31 64.77 68 70140 952.07 15 Great Bott 5164.31 64.77 68 70140 952.07 15 Great Bott Cary 51 65.20 48 2014 8214 41 15 64 16 65 66 66 66 66 66 66 66 66 66 66 66 66 | P-107 Leader Rd. Servinets Instruction Dist. 5 390.5 413.2 43.4 2.69 Selly Acc |
| Accom Units F 51396 6 406 / 4518 40.1 10/05 Smaller Cos F 513440 3481 3 500 4 +2.21.31 (Accom Units F 51462.3 481 8 510 4 +2.21.31 Smaller Cos Dir F. 5104 6 107.9 114.2 40904.15 | Leonfield Hec Curron St. Losdon WI 01-726-7708 S & C Spec Sits | | pesa 4 | Second General | 46 Rev Broam Street, Lordon ELZM 1UT Dusters 01-826 0826 American Gords 51, 129.6 151,6 140,1142,410,79 European Gords 51, 168.0 149.2 180,11-0,610 26 Latt Audit 1 51, 168.0 149.2 180,11-0,610 26 | UK inter Traction 4 F. 34 112.00 112.00 119 11-1.913.59 UK inter Traction 4 F. 34 112.00 112.00 119 11-1.913.59 European | 'SB Unit Trasts (y) (1200)F hariton Pl, Antonier, Hants SP10 LRE 02646,0434 SB American 6 [128 25 119 72 127 26] 485[1 18 |
| Special Sits F. 5 137 1 141.9 150 3 40 81 39 (Account Intel F. 5 147 9 153 1 162 140 81 39 UK Growth F. 5 148 2 448 2 474 7 42 52 82 (Account United F. 5 1855 1 855 1 905.7144 912.02 | CIGNA Unit Tst Managers Ltd (1000)H 5 Trang St. London ECZV 8AR 01-796 3571 European Growth 6.54 [61.30 61.30 66.30]-013[1.43 | Japan Spe 365 - 34 121 125 1 125 1 12 4 - 0.00 Rec Japan - 54 115 9 117.4 125.1 40.00 0.00 Sea Spath East Asia - 54 125.1 126 7 135.6 42.00 0.00 Sea Spath Special Spe | th American5 64 01 70.07 74.35 1+2.8 (0.75 pers) & Assets5 172.22 72.22 76.63 (0.06 to 10.15 pers) & Assets5 100.7 102.0 108.2 (1-1.3 10.89 kHz Companies5 17.94 97.94 40.36 (0.16 10.16 pers) & Assets5 10.7 102.0 108.2 (1-1.3 10.89 kHz Companies5 17.94 97.94 40.36 (0.16 10.16 pers) | MCM Unit Managers Ltd(2) (1800)H NGM Unit Managers Ltd(2) (1800)H NGM House, Henr Rd, Worthing | UK Equity list | Royal Life Hos. Colchester CO1 1RA 0206 764400 C Americas Growth 54, 193.15 93.15 93.09 13.3011.70 1 Europeas Growth 54, 158.81 58.81 62.56 10.00 00 00 1 Gift Incomp. 35, 157.11 57.11 60.36 40.14 8.47 | lo Accem |
| Aliciturches Inv Highrit Servs Ltd (1200)H 1972] Builter Street, London EC3M 2RY 01-5287364 Amily Income | 1992 Egro Spec Up 4 - 54 46 - 37 46 - 37 50 - 17 - 11 46 international line 5 50 - 63 50 - 63 54 - 22 40 - 26 35 51 51 51 52 51 51 51 5 | Foreign & Colonial Unit Magant (1200)F 1 Laurence Poestory HJI, EC4R 08A 01-623 4680 He European Inc | nderson Unit Tst Magant Ltd (1200)H in, 5 Rayleigh Road, Hotton, Brestwood, Essex | Desiling: 0277 261010, Eng: 01-623 8211 High Income | US Eq ind Tractor inc . 3 123 2 123 8 131 1 4 3 1 4 5 15 16 16 16 16 16 16 | High locane | 00 ACCOMM |
| hearing Builder Sc. 54 52 36 53 37 56 77 40 314.75 hearing Builder Sc. 54 52 36 53 37 56 77 40 314.75 Allied Dumbar Unit Tsts PLC (1600)F | UK Growth Acc | Far Eastern | olries 0277 227300 | Uncern United | Managed Acr54, 197.57 98.94 104.71-)_13.07 Geoffrey Morley Unit Mgrs Ltd (1200)F . 4 Temple Place, London WCZR 3HP 01-856, 7756 Feature Entry Pag. 4, 105.5 105.4 113.04.04.1 2.7 | Sectal 5th | SB Ceneral |
| Allied Ountar Centre, Swindon, SN1 1EL 0793 514514 Dealing 0793 610366 Balanced Trusts Growth & McCome5 172.2 172.24 183 3(+), 3(3) | Admin: 5 Rayleigh Rd, Hottos, Brestwood, Essex Engarries. 0277 227300 Deather 0277 251010 Bridge Am Gen Inc. 5 5 68.48 68 68 72.08 (2)1.23 On Accay | NATURAL RES | 7 Handson Rt | North American | Exempt loams 34, 184.7 184.7 194.8 +1.6 51. Exempt Soil: Ox 34, 412.8 419 14 444.3 +20 1.3 Exempt America 34, 37.2 37.2 37.2 33.6 +115 1.9 Exempt Profic 34, 273.9 273.9 36.4 -2.4 0.3 | Unit Dealing 01-438 2531 Capital May 15 | 58 Income 6 303 16 307 88 327 53 -3 674 44 68 Accurs 6 557 07 269 3 78 557 17 -5 144 44 6 78 6 78 6 78 6 78 6 78 6 78 6 78 |
| Canital | UK Capital 6 53.95 53.35 56 75.194912.52 UK Capital 6 55.03 56 03 59 60140.754.71 SV Nodet P folia 6 55.03 56 03 59 60140.754.71 SV Nodet P folia 25 1.29 1. 131.6 134.901-1.5012.90 Regis House. 43-45 King William Street | US Smiller Co's | tal Growth 54, 72.43 72.43 77.52 40.74.2.81 am Units) 54, 87.49 87.49 93.64 49.932.81 mr & Assets 54, 148.5 148.5 158.7 +1.014.65 actal | General 643 25 44 28 47 11 48 37 2.71 Income & Sarta 668.64 70.74 d 75.26 40 17 4.01 1.01 International 65 59 99 61 884 65 83 40 11 13 6 68 6 5 23 40 17 8 80 6 81 25 24 40 17 8 80 | Marray Johnstone UT Nignet (1.600)H 7 West Nife St, Classon 62 2PX 0.00H 64 131-8.7 [3.00 | Earlty Income (2) 5 117.6 117.5 al 125.4 40.7 4.5 8 125.4 8 125. | SB International6378 I 380 68444 43443 38 I 5 Jo Accept |
| High Income | Bridge Ex (separate) | Foster & Braithwaite UT Most (2100)F hos 1 White Hart Yard (codes SF) 1NX 01-407 5966 (Acc | of Britist 5 k; 143,84 43,84a; 46,791-0,6212,91 blacese; Feeds me& Gwit 5 k; 207,9 207,9 222,01-170 4,09 um Units) 5 k; 439,1 439,1 448,9 k; 70 4,09 | European | American browne | Obtain Units | So Accom 680266 10266 109 21 -174206 Parget Trast Mayrs Ltd (1600)F |
| International Trusts Amer Spec Sits | 1 White Hart Yard, Logdon Bridge, SEI 01,407 5966 Bechman Int Cap 4 2216.59 216.59 222.91 H-16816.889 Sigmont Assets | F & 850 int Gero 59, 47, 20 47, 20 50, 834-135 1.5 High Framilington Group (1,200)H 31, notor Wall Stops, EC2M 5NO 10, 428, 5181 Per | 1003 2038 1104 1405 23 1007 2008 11 | Majdon Unit Trust Managers Ltd (1280)F 16 Earl Street, Leeden EC2A IAI. 01-638-5757 Majdon General | Smarter Cos | Northpate May 11. 5 (208.9 206.9 205.5 | arget 192, Gardinan (n. 4945001), 1974, 19 |
| Japan | Saddlers Hs. States Le. Lundon ECZV 68R 0392 4)2144 Highelite Gn May 10 17 18.12 18.12 18.761 | Uccom Units? | d interest 54 51 92 51 92 55 24 32 93 64 94 95 94 95 96 96 96 96 96 96 96 | Manualife Group PLC (1900)F Signory's Way, Streems Desires 0438 740101. | NFU Martina) Unit Mingrs Ltd (1406)F 35 Femilian St, Manchester M2 2AF 061-236,5685 Aren Senity | Patific Basis Act (1)5 180.0 180.0 192.3 +1.4 2.40 | Semertible |
| Specialist Trisis Asset Value | Namow Pialis, Bristol BS2 0.1H 00000 373393 American Gwtb | General United 5 364.8 377 54 399.4 42.2 14 Glot Convertible 5 114.8 118.2 125.0 +0.414.2 Inter- General United 5 168.7 173.6 183.6 +0.6 4.92 Glot Corporation 5 168.7 173.3 74.34 78.66.40 06.0.72 Best | ual Tech | Growth Units | New Schroder Unit Tot Mages (1200)H The Bitton Cestre, North Various, Pertsmooth Empiries: 0705 372222 American V | White Alpta for 54, 58 54 59 22 62.34 -1.74 c White Alpta for 54, 58 57 59.40 62.54 C Prestige Pertiette Europe (4) 0 108 9 109 2 109 8 0.44 C | iebai Gops let |
| Personary | Do. Accom | (Access Units) | 1935 Frank 1936 | UK Smaller Cos 54 170.4 178.9 130.140 & 11.45 Rorth American 54 75.14 75.14 79.85 2.310.10 Fer East 54 127.1 127.1 135.1 40 & 0.00 European 54 47.74 47.74 50.73 0.0810.56 | Vectors Units 9 - 51, [29,76 29,76 31,74]+1.01], 03 Australian 9 - 54, [158] 159,2 170,8 (30)] 1.65 Vectors Units 9 - 51, [174,5 175,8 188 64-1.44], 65 Conscience - 51, [48,52 49,32 52,63,40 55], 90 | 137.4 136.0 - 4.4 1.5 | scome 51111 1111 119.7 +0.44 86 span 5155.0 155.0 166 8 +0.40.00 actilistas 5141.5 141.5 152.6 +1.10 00 actilis Acc 5175.6 175.6 189.3 +1.40.00 |
| DR Spread S. 5. 751293 9 293 9 313.01+0 412.58 Anthony Wieler Unit Tst Mynat Ltd (1000)F 131 Furthery Parement, EC2A 1AY 01-628-9875 | Gift & Fast int line 5 24 13 24 13 25 59 60 00 8 98 International line 6 24 17 24 17 nr 25 71 6 13 5 59 14 12 14 14 15 15 15 15 15 15 15 15 15 15 15 15 15 | Access Units | 7 Keng | Marks & Spencer Unit Trest Ltd (1200)F PO 8m 419, Clester X (1999)G 0244680066 M & Sint Pfolio53 105.8 106.1m 111.4 pt. 1002.65 | (Accom Units) 54 (49.45 50.25 53.62)-0.54 (1.90 European, 54 (120.5 121.74 129.85-0.28 (101.46)-0.00 (| Concomplities (2)0 56, 46 56, 74 10,50 (7,07) Gold (2) | ercief Sits |
| Do Acoum 5 170 4 174 1 185 2 1740 Quarterly Income 5 153 98 55 60 59 151 17.90 Arkwright Management (1400)F | Retirement lac | Japan & Gen | R: Smile Cos 54, 115 2, 115 2m 123 04 130 0.84 pare 4 W Ma. 54, 493.8 493.8 52.67 14, 100.79 h American | Martin Cerrie Unit Trusts Ltd (0995)H 48 Metrille St. Stinburgh EH3 7H 6 (1993)1-2204924 | Far East Chaker V. 34, 126.13 126.9 137.7 H, 300.00 Girk & F | Depoch | only Exempt |
| 1 King St. Manchester M60 3AH 061-832 0242 Growth May 9 5 111.6 111.6 128.7 22.3 Income May 9 5 52.64 53.47 56.88 5.71 International | 1 Wike Hart Yard, London SE1 1NX 01,407 5966 CM Capital61 - 50.0016.00 CM Income61 - 50.0016.00 Commercial Union Tst Mess (1600)H | PCP88 | / Richery | Incore 5 99.98 60.58ai 6-30i+0.61 4.63 European (2) 5 47.68 47.99 50.944-07-12.03 But Americas (2) 5 33.99 30.99 30.08 +0.0810.92 Int Growth 5 512.3 523.74 555.91-9.911.79 | Macrosin (Index) 9 5 k 38,18 38,18 41,051 422 0,22 Macrosin (Index) 9 5 k 52,010 50,70 54,08 48,48 5,30 Macrosin United 5 k 123,3 124,7 133,0 k 1,10 5,30 Martin 5 k 22,72 22,94 22,90 42,21 0,66 | Accing Build 9 51449, 145 2 154 4 14891 39 A Australian 9 51165 1 107.4 114.2 13490 95 6 (Accing Build 9 5116 1 118.8 128.3 13890 95 6 February 5172 6 121.24 121.0 12 12 12 | tholi Crescus, Edinburgh EH20HA 031 270 3932 lobal Growth Acc 6112 54 113 11 129 98 - 2 581 33 lobal Growth in 6412 54 113 11 120 98 - 2 581 33 lobal Subcret Acc 6409 37 109 49 117 31 1-2 77 2 73 |
| Asset Unit Trust Magrs Ltd (0900)F 4 Battle Bridge Law London SEI 20E 01-378 1850 Growth May 12 +5[11.87 111.87 118.87 -0.73[1.70 Income May 125[18.96 118.99 126.41 -0.985.16 | S. Helen's, 1 Understart, EC3P 30QDeating 01-686 9818 CU UK & General 5 65.15 65.15 67.181-067 12-45 Do Accom | Forturity American and General Trust Japa Robert Fraser Tst Mogt Ltd (1600)F General 29 Albemaris St. London WI. 81-493 3211 Paci | m2\(\) 220.2 220.2 228.4 \(\) 0.00 0.00 h American _2\(\) 100 2 100.2 \(\) 100.7 \(\) 3 01.6 \(\) 1 Tech 2 71.23 74.06 \(\) 1.720.82 \(\) 16 Exmpt 2125.1 225.1 \(\) 1233.1 \(\) 14.4 014.20 | Gertric Recovery 5157.61 59.96 62599143312.75 let Incomp54, 47.32 47.32 50.48.40.2516.93 High Yield | ACCION UNIO | Coccum Belical 5 128.9 129.6 137.8 (220) 1 12 6 (accume Belical 5 249.7 252.2 269.2 (220) 5 30 (accume Belical 5 613.8 619.9 659.4 (616) 3 0 (accume Belical 5 613.8 619.9 619.4 (616) 3 0 (accume Belical 5 613.8 619.9 619.4 (616) 3 0 (accume Belical 5 613.8 619.8 (accume Belical 5 613.8 619.8 (accume Belical 5 613.8 619.8 (accu | ichai Salanced Inc. 6107.26 107.56 115.02 2275 73 d Pen & Chiles Inc. 2005 16 106.54 111.86 2 06 d Pen & Chiles Acc. 2105.16 106.54 111.86 2 06 |
| B & C E Unit Trust Magant Ltd (1000)H Manter Royal, Crawley RH10 20P 0293 26911 8&CF-0 ProSchool 34 54.79 56.35 58.691 (2)1 3.0 | Do Accam | Castle Street, Salisbury, Wilks. 28 V | Tagon Services Ltd (0905)F Vestero Set, Romford RM1 3LB 0708 45322 1. Cap P folio 01118.6 118.6 120.81 | Adoles: 5 Rayleigh Rd, Hatton, Brestmood, Essex Engulrier: 0277 227300 Dealing: 0277 261010 UK Growth 14-11 6 60.78 61. 7916 60.0914279 2.57 | Uccount United | Trace Soft Cry | Dermiton Unit Marragers Lin (1960) 3 Careadish Sq., London Willy 7HF 01-493 7262 eating 01-493 8545 merican Opes \$ 47.14 50 28\rightarrow 1250 09 |
| Balllie Gifford & Co Ltd (1400)H 3 Gleathlas St, Ediaburgh 031-226,6066 Japan Eryt May 15 - 2 565 6 565 6 585.81 UK Egyak May 15 - 5 369 9 381 7 406 1 - 5 2 0 37 | CU Far East Gu 54, 81.45 81.664 86.87 +1122.0.00 CU Far East Gu 54, 62.02 62.02# 65 98 +1.77 [1.21 CU Erropson Std 54, 61.04 61.04 64.94 +023.06.65 CU W wide 84 54, 47.76 50 54 +0246 5.51 | Dealthoy (1722 41141). Admir; (1722 411622 FFE Equity Dist | *Dealing Day Wednesday Higheliffe see City of Landon | 1 White Hart Yd, London Bridge, SE1 1997, 01, 407,5966 fell Recovery Acr F., 51 42, 36 42,3661 47,463 -0,11,51 lati Recovery for F., 51 30,54 30,544 34 36 -0,001,51 | Accum Guita 4 - 54 78.53 74.53 84.7219.00 UK Equity 54 141.7 143.1 152.64 5615.56 Accum Guita 54 233.2 233.5 231.142.46 34 US Smaller On 4 54 551.17 53.17 56.86 4.05 0.00 | Tothre 9 577.76 78.26 83.36 (42010.00 g (Action Units) 9 577.76 78.26 83.36 (42010.00 g (Action Units) 9 578.54 79.15 84.20 (40.40 00 g UK Goolty 5 147.1 147.6 157 01.189.349 g (Account Units) 51239 6 240.5 253.81-3 013 49 g | locus Unics) |
| 86 Japan 5 242.1 242.1 257.6 -0.10 00 86 America V 5 138.8 138.8 147 7 +4 40.37 86 Technolog V 5 217.3 231.2 +1 70.00 86 Energy V 5 257.6 257.6 214 01+5 51.23 | Do Accesm | FP Intl Gtb Dist5 64.03 64.41 68.52 4085 0.51 Brit. De Accem | Sammel Unit Tot Mgrs (1200)H Tower Addiscombe Road, Croydon 01-686 4355 ph | Mayflower Management Co Ltd (1600)M No. 1 Louten Bridge, London, SEI 900 01-378/3007 Income May 15 | Matienal Prevident Inv Mers Ltd (1490)H 48 Gracetherch 54, EC3P3HH (1, 623,4200 KPI American Accy 5166, 88 67,93 72,271-82,91,63 KPI American Disc y 5164, 12 65,13 67,271-2011,63 | UK Small Gr's Er 5 111.7 114.3 121.5 40.50 207 G Exempt Grit 5 99.31 99.31 104.31 -6 68 U Exempt Grass Early 5 106.5 107.1 113.9 -1 44 Exempt UK Growta 5 129.7 130.9 139.2 -2.26 U | orden Opps |
| 86 Income Goth 5 270 0 270 0 288 8 +2 15.33 86 Europe 5 5 119 3 119 3 129 9 0 2 11.39 86 Com & Gen 5 6 5 60 65 60 470 16 +0.557 58 86 British Gwit 5 30 73 30 73 42 27 +0.0811 37 | CU Prof lav Port5\u00e4, 35.85 55.85at 59.41 \u00e40a2 22 22 \u00f30 Access5\u00e4, 35.85 55.85at 59.41 \u00e40a2 22 22 \u00f30 Access5\u00e4, 35.85 53.85at 59.41 \u00e40a2 22 22 \u00e40a 22 \u00e4 | Do Accum | m ♥ | Global Inc May 15 - 5147.43 48.51 51.60 42.24.47 Medicine May 15 - 5147.43 48.51 51.60 42.24.47 Medicine May 15 - 5147.43 48.51 51.60 42.24.47 | MP European Act5) 57.14 57.49 53.72 ML19[53] MP European Dist 5 582.22 58 934 62 64 46 130 51 MP Far East Act V5 120.3 122.3 130.1 HL00 0.16 MP Far East Dist V5 120.9 122 9 129.7 HL00 0.2 MP Far East Dist V5 121 6 875 5 580 0.3 KM 1. Ed | Sarve & Presper Group (0905)H 28 Westers Rd. Remford RM1 31B | anyo Jaman Yar 9 66,24 66,24a 70,64 60 040 17 Coner Units3 5 66,24 66,24a 70,64 60 040 17 Angaroo 5 29,48 21,44 68 10,41 Cone Units3 5 29,65 29 65 31,64 68 10 41 Cone Units3 5 29,65 29 65 31,61 642/64 |
| BG Pacric | CU Mithly Inc Plus 6] — 47.00 50.00 400 1000 Femberly Builder Management Co Ltd F CU Quiter General 96 576.6 576.64 610 1 2.64 Do Accam 9 | Bowdshp Inc Dist 5 64.77 66.618 70.86-0114 3.99 High Do Accus | & Fuel Int No | 1 White Hart Yard, London SET 110X 01-407 5966 Health Fand 51 141 44 46a4 48 161-021 1 28 Mercury Fand Managers 1.bd (1009)H 33 King William St. EC4R 945 01-280 2060 | RPI 0'seas Dist | Cipital Mar. 2 Festival Sq., Edinburgh EH3 9SX U Geometro 9708-766-766 or 1656a U 331-228 4300 America & Guth 54 53.21 53.21 55.60 4 VIR.08 Americanic Cos 55 47.36 48.56 51.6514 (6) — 4 | lecture Units) |
| Factorine Plus | CU Guiller Income 9 - 9, 333.5 - 333.5 - 352.9 5.02 Du Accam 9 6 1333.5 - 333.5 - 352.9 5.02 CU Guiller Intil 9 6, 407.2 - 407.2 - 433.8 11.13 Do Accam 9 6, 407.2 - 407.2 - 433.8 11.13 Thibline 9 6, 407.2 - 407.2 - 433.8 11.33 | GA Unit Trust Mogrs Ltd (1000)F | Resources V | American Growth 5 119 3 113.7 at 121 3 42.00 0.00 Access Units) | NP Winde Dist 5167.65 69.164 73.57(4)341.06 Narwich Union Tst Massagers (1280)34 PO 80.124, 51/59 Roc Law, Royald 06/3362234 UN Frederick | CapRal | Comm United 5 130 70 131 184139 92 32 10 10 21 1 |
| Barclays Unicorn Ltd (1000)H Unicom Hse, 252 Romford Rd, E7 | Do Accom 9 | G & A | lier Dos | Apperiese Srp Cos 5 45,33 46,11 49,19 49,710,00 (Accum Units) | UK Equity Income 6 93.91 95.66 101.77 +1134 10 UK Sakaller Co's 6 94.25 97.51 103.73 40191 84 international 6150.00 151.754161.41 +2470.87 Pacific | Exempt Into | Cosm Units |
| Do Aust Inc | Green Fisch | Caelual (Aces 5 4 233 60 233 60 269 90 143 80 2 97 1 67 | iter Unit Tst Magrs Ltd (0905)F Keightsfrige, London SW7 1RB 01-881 8015 Kein Gap | European Industry 5167 72 47 72 71 701-0004 21 5 | South East Asian | Cit & Fed int inc56 | 4 Hourly Pricing = 12 Noon Mistaris; American Goth. 54, 45 09, 45,09, 46,09, 124, 9 R Lor So Sis Acc54, 32, 35, 32, 35, 34, 48, 40, 41, 0 R Lor Sp Sis Isc 54, 31, 81, 31, 81, 31, 91, 40, 61, 0 |
| De Entra Impose 51, 103 5 104 88 111 8140 713 18 105 105 88 105 105 88 105 88 105 84 105 105 86 105 105 86 105 105 86 105 105 86 105 105 105 105 105 105 105 105 105 105 | Canadian Esempt 3 57.28 58.29 60.09 694 2.7 Caropean Esempt 6 47.778 48.80 50.30 -0.34 3.0 Pacific Esempt | Janes & General 5 t 368 60 368 604394 30 -120 0.25 Far Fac & Gen 5 t 756 90 156 50 167 40 4 770 89 Key | Fund Massagers Ltd (1200)F | GACCOM United | ForeStreet, Lendon, 8C2Y 5EH 51,422,9120 Impricate 451.34 53.77 56.21 0.0 Far Eastern 451.62 155.94 193.66 0.1 Ironton 450.22 155.94 193.66 3.3 | 100 | R Global Tech 5 to 16, 27 64.24 78, 97 in 1812.60 R Global Tech 5 to 16, 27 64.27 71, 45-205 0 R Income Growth 5 to 16, 27 86, 27 91, 77 to 1812 and Income Healthy 5 to 15, 61, 63, 61, 68, 63, 40, 715, 91, 41, 4280 Growth 5 to 1875 78 78 78 78 78 78 78 78 78 78 78 78 78 |
| De Gilt & Fidint | Consistent Unit Tst Magt Co Ltd (1209) 1 White Hart Yard, Loedon Bride, SEI INKO 1407 5966 Consistent VI 5125_33 22.33 27.081-900[4,78 Co-ep Pession Fds UT Mgrs Ltd (1000)H | European | nuntain St. Manchester M2 2AF 061 236 5362 | Git | - 408127 185 6 19356 33 scener 40827 1357 146 91 4.8 scandariant 4165.64 67 31 70.60 03 r Deating Day: Wed. "Deating day: Thurs. Pearl Unit Trasts Ltd (1998)# | James Smaller 55 149 3 149 34 149 8 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | Bristoite Geranth 54 58 48 58 486 52 44 4 55 0 Republier Cos 54 101.6 101 6m 108.6 4 3812 16 Republier Cos 54 128 3 128 3 126 5 4 202 24 Republic Plan Acc 54 32.58 33 56 33 77 77 2 242 80 |
| DO Jan & Ges Her 54, 252.7, 273.0, 174.000 Do Jan & Ges Her 54, 252.8, 254.8, 271.8, 177.000 Do Jan Spec Sits 51, 61.19, 61.78, 65.901-014, 0.90 Do Leburett J | 33 King William St, Looden ECAR 9AS 01-280 2809 Early Dox May 15C 01647.9 647.9 662.1 | Gartmore Fund Managers (1200)F | 91.99 95.13401.301-1705.79 2 Fixed tet 568.85 71.34 75 891-008.38 1 recome 568.85 71.34 75 891-008.38 1 recome 5685.30 159.40 169.901-1,105.49 actional 571.33 71.33675.761-1210.97 ler Cr's 561.98 64.71 691.031-03111.29 | High Interest | PB Box 500, Thorpe Wood, Petinborous PE3 66D - Control Geo. 626577, Control Geo. 626577, Control Geo. 626577, Control Geo. 626577, Control Geo. 62657, Control Geo. 62 | Scheck Hell | Mgd St Plan let 54 30.25 30.25 32.35 46 212 89 White St St At 54 30.6 30.6 32.724-0710.09 White St St St 54 30.57 30.57 32.694-0.000.09 1 Planting Partialis |
| De Smith Col Acc 54, 46.22 47 6.3 50.80140 051.48 De Smith Col Rec. 54, 45.53 46.91 50 84140 051.48 De Special Sits 54, 194.6 194.6 207 6141 012.04 De Trustee 54, 147.2 147.2 157 0141.2 3 26 | DA D 174 Destruction Von DOLOVO MI 450 NATI | | sewort Barrington Ltd (1160)F exchart Street Louise 6C3 ex: 0435528525 Admir.01-6238000 ex Thoris | Geogra Units 5 394.4 394.4 420.4 +550 1.20 g Japan 5 201.9 201.9 214.8 -2500.00 G Geogra Units 5 207.2 207.2 220.6 -2500.00 Racific 5 207.2 206.00 97.44 +1211.57 G | Gelly | UK Seety 55 240.2 240.2 255.1 432.16 TI UK Seetr Cas Carth. 54, 57.41 59.31 63.09 40.291.72 TI US. 52.470 84.70 90.10 428.088 TI Univ Groeth 54 110.5 110.5a 117.5 14.1 10.2 TI | TEM Sp Sist 4 6 25.66 26.02 27.58 49.10 0 General Growth 4 6 25.97 24.19 25.64 49.29 - Global Tech 4 6 25.32 26.74 28.35 49.36 - I lacture Growth 4 6 25.39 24.25 25.74 12.34 |
| Do Unin Technic. 54, 80 00 60 53 64 56 10 44 10 38 Do Workswide 54, 148.9 150 1 160 1 140 710 94 Brist Im Fd Acc 3 456 1 456 1 475 1 143 813 40 Brist Im Fd Risc 3 173 1 273 1 273 1 274 5142 2 313 40 | International Acc | | Internite | (Access Units) | Pembroke Administration L64 (1706)F 8-19 Sentand St. London WCLR 4FZ 01-430,0996 Pembroke Accom5179.18 80.13 84.93 | Savings Corporation Cap Plans Ltd (1200)H Central Court, Orgington, Kert 886 0.1A (Freeglose) Princip Cifests 0800 456 654 (Freeglose) 88F/Discretionary Manages: 0800 456 633 | (Japan Growth # - 6 25.51 25.77 27.11 - 664 - 6 24.11 24.50 25.97 (42.21 - 6)4 - 6 (24.11 24.50 25.97 (42.21 - 6)4 27.00 25.00 25.90 (42.21 - 6)4 27.00 25.20 25.96 (42.21 - 6)4 27.20 25.20 25.96 (42.21 - 6)4 27.20 25 |
| Baring Fund Managers Ltd (1200)H PO Box 156, Beckesham, Kert BR3 4XQ 01-658 9002 American Growto 5 52 94 55 17 56 41 1427 14 American Smit Co. 3 15 083 51 11 43 422 4301 11 | High Income Acc5 50.12 50.520 53.74 042 56 High Income Acc5 53.12 53.540 56.76 06 5.6 Crown Unit Tst Services Ltd (1200)H | Do (Accom) | m United | (Access Units) | Perpetual Unit Tst Magast (1200)F 8 Bart Stret, Melley or Thames 0491, 578688 paramional Gath .54 (22.29 32). 29 343 43 4527[1.48 parame | Enriquent & Pacific 6 47.17 47.44 50.474017/2.02 TF Far Eart & Pacific 6 48.01. 48.18 51.274019/2.02 TR North American | Sup Uminity 4 6 27 5 25 25 25 25 25 25 25 25 25 25 25 25 2 |
| Australia | Cream Hoese, Woking G121, IXW 04962 5033 American | High lacome | ms United 51; 50.27 52.28 55 &1.1-0.51[3.63] all Growth Treets Smitr Cos 51; 160.73 61.29 65 20; 1.1-610 00 ms United 51; 162.58 63.15 67.19+1.41 (0.00 American 51; 51.44 53.84 57 171+1.81 (0.00 | Mertin Jupiter Unit Tat Mignat Ltd (0905)F 137 Knightinfolg, Loudo SW/138 03-54.300 Mertin 1 515.03 54.26 03.34.0 071.02 Mertin 1 515.76.7 54.25 62.3640 551.81 F Metropolitian Unit Trest Magus Ltd (1000)F | mortean Georgia — 54 552 7 8224 88,60 826 129 120 12 | SCIENTER WHIT IST MINES LOS (3200)F | 1014/249.2 251.8 255.0(+).4(2.22 |
| Europeus Sentr Cos 5 149 5 150 3 159 4 14 2 0 4 Europeus Sentr Cos 5 149 5 150 3 159 4 14 2 0 4 Europeus | High locome | Intersectional Treats Frontier Markets 5 32.57 32.57 34.68 -0.31 0.00 Stotal | m Units) 51; [64,01 b4,01 b7,97]; [1] 45; reas Special 51; [74,89 74,89 79,55]—0.1 [1,52] m Units) 51; [75,49 75,49 80 19]-0.90[1,52] poin 51; [76,49 75,49 80 19]-0.90[1,52] poin 51; [75,49 75,49 80 19]-0.90[1,52] poin 51; [75,47 75,49 102] [78]-0.17[1,85] poin [1987] 51; [17] 1.72 1.72 1.72 1.72 1.72 1.72 1.72 1.72 | 3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184 # Europeopth Phs 6 55.42 55.75a 59.31 -0.30 80 J | ligh feature | Entrata Cartin Acc | yal Lin. Hr. Coldents CO: 18A 0206 76,4400 Roo Georgi54 1144.4 172.24 160.244601.94 wadali Unit Tst Magys Lin (7.600)96 Becklesbur, London CON 9800 373574 |
| Growth & Isc Acc. 5 138.1 139.8 148.3 +1.3 2.5 Japan Growth 5 169.7 169.7 181.0 -0.1 0.0 Japan Surris 5 161.3 161.4 172.1 -0.8 0.0 UK Growth 5 164.78 65.35 69.33 4052 2.4 UK Stayller Cos. 5 196.31.99.34 10.54 4.94 1.8 | Dartington Unit Tst Magt Ltd (1200)F 9The Crescen, Phymosth PLL 3AB 0752 673873 Total Perimote 5177.39 79.74m84.841 | MI Partieres 5/67 OF 67 OF 72 30/41 10 1 24 CACC | m Uems)54 122.1 122.1 129.7 -0.2 (1.65 of her Tas54 28.24 28.24 30.04 of 12.43 on tieks)54 38.24 28.24 30.04 of 12.43 on tieks)54 37.81 37.81 40.21 of 12.43 on tieks)54 27.80 27.81 27 | Do incomer | #hillings & Drow Usek Managers Ltd Shows Square, London ECA 170 014628-6079 Jamiles Fall Bit. 19918 99.18 99.31 16.9 Jamiles Ind Life 19957 99.78 23 [K Edente 19957 99.78] 23 | DO Michigane | 200 Units |
| Select Managers 4 . 5152-49 53.40 56 651-0361 1.2 For Ramington Treats are Kindowert Barrigoton Ltd | Directational Tst Mangart Ltd (0905)F 1 Alberturk St. Londer W1X 3HF Enropero Small Cos00050 5 1050 5 1070 7 | Merrican Transis Merrican 580 Opes 5 33,13 33,13 35,40 of 5 0 00 Japa Merrican 56 Opes 5 33,13 33,13 35,40 of 5 0 00 Japa Merrican 56 Opes 5 4 81 14 81 m 15,80 of 415 22 Uses Merrican 56 0 opes 5 33,13 33,13 35,40 of 5 0 00 Japa | ms Usita) | | Prolific Unit Tst Magrs Ltd (1200)H 22 Bishosspile, Longon EC2 01-24775447 merican feature5160.59 62-80 66.031-1.66[3.42 | Scottish Amicable Ut Tst Mgrs Ltd (1200) in 159 St Vincent St., Glaspon G2590 | REmpents Acr. 54, 52,12, 52,42, 55,51,40 % - come 58,02,2 85,52,40 % - 44,5 44 |
| Far Eastern | Bi | Section American 4 35.04 35.06 38.29 to 140 50 Pacif | mr United | Gottan 1995 | aro Corth & lat | Emplem Oper | 207 92 97 92 97 94 97 64 |
| 15 St. James Place, London SWIA 1NW 01 443 8111 Progressive for 56 JB 71 19 02 20 07 -2 30 Progressive Acc 562 52 27.06 28 56 -2 30 International loc 5639 51 19 81 20 91 -2 41 | Brummond Fund Manet Ltd (1400)F | 257 # 157 # 158 # 168 # 158 # 169 # 158 # 169 # 158 # 169 # 158 # 169 | no United 55, 133 1 153 1 162 8 5.0 1 13 patry Growth 55, 131 36 31 36 33 37 40 48 1 49 no United 55, 53 25 53 25 56 65 40 00 1 69 | Extra High inc | nternational | hat income | ortung Road, Horstone, RH12 151 0403 40033 falsa Growth 5 % 665.09 67.25 77.551-0.42 [1.80 desical Analysis 5 % 60.32 60.93 64.82 647 [1.71 |
| Fefermational Acc | Glen Inc Fand Inc 5 91 65 91 65 99 32 10 35 21 Glen Inc Feed Acc 5 1 189 3 189 3 205 21+0.7 [5.2] Durmenii Trust Minemt Ltd (1600)F | Managed Emity 9 0 120.3 122.6 122.6 1.5 2.70 93.6 126.0 126 | Unit Tst Mingrs Ltd (1.800))) orge St. Edinburgh Eriz 3.1, 031-225 4908 see St. Edinburgh Eriz 3.1, 031-225 4908 secone: | Chromo Heiro | Travidence Capital Fd Algr. Ltd (2000) 0 Usbridge Road, Leaton W12 8FG 01-7499111 Usbridge Road, Leaton W12 8FG 01-7499111 Usbridge Road, Leaton W12 8FG 10-7499111 Usbridge Road, Leaton W12 8FG 10-749911 Usbridge Road, Leaton W12 8FG 10-74991 Usbridge Road, Leaton W1 | Seroper | TAME 1.4: (1300)P White Hert You Good Bridge, SEI (1407 9966 Markhours Revolution Constitution Line Lars Nac Can |
| Brewin Dolphin Unit Tst Mgrs Ltd (0905)F | 54 St James's St, London SWIA LJT 01-499 6383 3 0 0-499 6383 3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | Entions 9 | 22 | inti High St UT | reroberte Acc | Technology | affed Charities Unit Trusts (1008H ican htt. 252 Romford Rd. EC. 400 Charities 51 189.9 171.544 204.314.314 60 |
| Brewer Capital 51; 202 3 206 8 220 0 7.4 Breite Borderd 51; 98 62 103.2 109 7 5.74 Brewel to Galderd 51; 127.3 237.0 252 1 13.71 Brewer Shipley & Ce Ltd (1200)F 9.17 Peryment Rd Haywards Rth 0444 412262(3)4/5 | Description Selection 54, 28:01 28:01 29:79 0.1811.40 Description and the selection of the selection selection 64:57 49:54-09(8,20 Description 64:57 49:54-09(8,20 Description 64:54-09(8,20 Descripti | Interes 9 | C Unit 7st Mount Ltd (0905)F | Herth American 6 116 4 116.5 124.6 +3.40.42 | III American Inc | Walte Dat Per54 27-51 30.19a 32.20 40.516 36. Walte Dat Per54 35.58 35.73a 38.73a 40.612.72 Va | agreement Unit Test Marie see Capability Test Marie arrillery Unit Test Maries Libi (1996)144 |
| Mingd P félio Int 6 93 26 93 26 99 95 69 97 2 84 Mingd P folio Acc 6 159 7 159 7 171 0 1 1 7 - UK General 6 132,4 132 84 141,6 14 0 3 10 Carerdram Ex Inc 6 97.96 97 96 105 1 40 7 6 30 | Demont Selpton Co. 94, 114 50 114 50 121.80 40 122.20 1 Demont German Col. 54, 86, 83, 88, 53, 94 50 40 152.30 (Demont Instant Col. 54, 86, 85, 86, 85, 92.39 40 26410 1 Demont September 55, 111 60 118 50 40, 63, 20 | INST CONTROL CA V - 01 12-2 1 123.5 1 123.5 1 27.5 | Hosse Control for EC2R 78E 01.588 2900 F 2 641 6 671.8 665.5 4 86 General 2 323 5 335.9 342.7 1 | Meridian lecome 6 108 3 109 2 116.8 +1 13.68 | K High let Es let _5 77.73 77.73 77.54.43.5.51 High let Es let _5 79.66 79.66 86.13.40.45.5.61 long Kong he | Return (11.00) | Bishopumia, London ECEP 2LA. 01-374 0861 Brican 4 54 67.45 67.45 72.151-162 1.4 1670-17 100 |
| Com-8, General b 25 06 25 06 25 08 40 21 6 89 European lot | Dument Inc Stray _ 4105.60 105.60 111.10140 48.20 | Laptions | rentien Unit Tst Hingarit Ltd (1200)H schoogham Gate, London SW1. 01-8346626 In Trest | Meridan Growth 6 116 9 117.6 125.6 6 21.50 5 6 4 21.50 5 6 4 4 4 4 4 4 4 4 4 | wise Equities for | Scottish Mutual Inv Magrs Ltd (1000)F So | Pan Growth 4 - 51, 227, 221 136, 0, 0, 00 4, 7 cife Peri - 56, 123, 9 225 9 239, 4 1, 10 0, 1 cife Peri - 56, 145, 5 145, 5 155, 6 1, 10 0, 5 display - 54, 131, 8 151, 8 162, 8 0, 0, 1 4 display - 54, 138, 5 30, 8 1, 9 66, 0, 0, 0, 1 |
| German | British Gorth 5 189.1 199.4 205.8 +1 7(2.43) European Gorth 9 5 156.3 156.5 166.5 +0.1 (0.18) | | Income 51 1.07 91 97 97 10 10 10 17 97 97 10 10 10 10 10 10 10 10 10 10 10 10 10 | brosse 054.09 5600 5511-0.2051 | MOTOR AND ACC 197578 7578 31.75 11110.00 | UK Seelik Ons Entr. 51, 228.0 247.3 269.4 142.4 13.04 UK UK Snec Sits 51, 71.40 73.20 77.88 40.5 7.87 Incore Plus 51, 81.96 63.50 67.86 40.5 7.87 | spatia 294 0.465 30.95 412.94 0.47 0.1 1 Trest 4 |
| Onest | Abs Amer (c) 9 | On a paint, and will be stured at Bid prior The Former's Fued interest Trust. | urd Unit Tst Mingrs Ltd (1200)F perficies, London ECEP 2NT 01-588 2721 | GUIDE TO UNIT T | | Par Eastern | ## Smir Co. + . 54 23.65 25.67 25.71 0.20 7.20 1.10 1.10 1.10 1.10 1.10 1.10 1.10 1 |
| Smaller Coster | 4 Metville Orscent, Edinburgh 0345-090 526, America V 571.34 77.34 75 80 (226 L.52 Capital 547.5 147.5 147.5 156,77-04 12.28 Comerciales 54 25 61 25 61 27.21 40 137 07 | 4 Old Park Lane, London W1Y 3LH 01-491 1957 Incom | ai | THE THE CHARGES THE THE THE THE THE THE THE THE THE CHARGES AND STREET BY CLARGES Are included in the price when the customer by STEER PRICE BID | costs which have to be paid by new parchases. These is notice. PRICE | SCOTTISS PARAMENT JOA WHAT THE UTUBULE TO | averley Unit Tet Mount Ltd (1900)F CharlomeSa Edinburgh (03)-251551 draining Gold \$13.77 13.77 14.6410.00000 |
| Buckmaster Mangmt Co Ltd C1200H The Stock Exchange, London EC2P 2JT 01-588 2868 Engraina Gwth 5167 66 69 40 73 631-0 291, 30 | High Drs | Johal Asset Management (2200)F | 1 & Pac Gth 0179.80 79 80 € 81.561-0.610.00 | The price at which units may be bought. The CAMCELLATION PRICE. The maximum spread between the offer and bid prices in & la practice, unit trust recording units a much introduce the maximum openishible order which is called the classest be moved to the examplestation price is elementations for which the control of the categorisation in the expensions of the control of the categorisation price is elementations for which is a single price of the categorisation in the categorisatio | ation price in the Lable. However the bid orice michs | Equity Grouph Sec. 6 18.67 19.10 20.44 50.81 70 Carlotty Grouph Sec. 6 18.22 18.44 19.74 41.71 70 Carlotty Grouph Sec. 6 18.22 18.44 19.74 41.71 70 Carlotty Grouph Sec. 6 18.22 21.60 31 12.69 30 62 Per stall Grouph Sec. 6 20.55 21.22 27.1 6.910 62 Per stall Grouph Sec. 6 20.55 21.22 27.1 6.910 62 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 72.67 61 64 Per stall Grouph Sec. 6 20.10 21.13 27.67 61 61 61 61 61 61 61 | Gifts Basis — 512.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 13 77 14 64 6 100 00 112.77 14 6 12 6 12 6 12 6 12 6 12 6 12 6 12 6 |
| (Accom Units) | Pacific 54 34 34 34 34 36 49 4077 0.82 1 Smilir Jan Cos 544 72 44 72 47 42 40 14 - 9 | 2 St. James's Place, London SW1 01-493 9990 Admit AM E & Intline 5018 40 122 42 343 00 0.85 Admit | il & General (U.T. Mgrs) Ltd (1200)H n: 5 Rayleka Road, Hatton, Breatwood Esser ries 0277 227300 penling 0277 251010 r Dist | be moved to the concellation price to exconstances in w buyers. Taking The time shows atmossible the fund promomer's manuals the | | Global Income Inc 6 19 87 10 98 21 39 -0 16 4 67 2 Marrier Langer Acc 6 18 33 18 45 19 75 40 21 3 92 96 | Conton Bridge, SE1 Magus Ltd (1200)F Kington Bridge, SE1 89,000 130,44 138 7144 614 87 |
| (Accum Lietts) 5 152 2 535.3 567 9 45 7 257 100000 5 1156 7 162 00 171.9 42 1 4.17 (Accum Lietts) 5 105 5 316 0 335 2 44 0 4 17 (Accum Lietts) 5 118 1 118 1 22 9 4 18 153 | Eagle Star Unit Magrs Ltd (1000)H Bath Road, Cheftesham 61.5371Q UK 8.itanced inc 6190.57 91 94 97 601-1020 47 91 UK 8.itanced Act 6196 23 97 67 1031 01.1185 33 | AM UK Spec Acc 5142 b4 145 17 155.50 2.19 Equit AM E Empress Inc 50.15 98 116.70 124 15 2.03 Equit AM E European Acc 5115 98 116.70 124 15 2.03 Equit AM Equippore Inc. 5115.72 119 17 136.78 | 7 ACCUMD | boyers. Title The time shows alcopside the hand statement's resure is the permally set, unless another time is indicated by the betty subsistant as follows: V = 0001 to 1100 hours; \$\phi = 1101 midelslet. MISTRUM. PRECING | titled alongside the individual sets, west name. The to 1400 hours; o 1401 to 1700 hours; o 1701 to | Scottish Widows* Fund Magant (0659)H W PO Sex 902, Edinbarch EN1658U 031-468 3724 Por Equity Acc. 11 1576-3 3784 4026 44 5 12 8 | BSSEZ Asset Management (1336)# BSSEZ Asset Management (1336)# Box IV (1888) BSS 64W 630229432 |
| Gecum United | un erromin ect | AMP & B. (M) ACC — 1942 62 34 37 3 29 39 31 1 29 6 6 1 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 1 Growth 655,07 55,09 58,61,00 29 and 645,00 45 00 47 83 46865 31 | species an arrenwar. 4 - 0.012 to 1100 acors, 4 - 1.012 midelable. MENTIFIEL PRECING The feath of deoptes that the managers will deal on a bistor firm question at the time of dealing. The prices shown an to lite current dealing keeds because of the intervening publicate. PREVIOUS PRICEMENT OF STATEMENT OF STATEMEN | re year ward. Any means that investors can obtain a to the latest available before publication and may not introde revaluation or a switch to a ferward pricing | Scattisch Widows Final Mengant (0659)M 1978 187540 1915 32 W 1978 | hittingdate Unit 7st Sept 1.66 1139 hit |
| Accum Units) 21, 95 67 57 69 79 47 (40 3)2 26 High Income Peri | UK Gitt & F i loc 6 54.30 56.43 59.24 672 8.78 69.00 67.78 71.16 42.17.31 69.00 67.78 71.16 42.17.31 69.00 67.78 71.16 42.17.31 69.00 67.78 71.16 42.17.31 69.00 67.78 71.16 42.17.31 69.00 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 67.78 67.40 | AM Pa Ch Week Acc 2221 19 221 19 227 19 27 19 28 MARIA AM Pa Ch Week Acc 2127 32 213 224 25 19 26 27 19 28 MARIA AM Pa Ch UK (sec 2217 33 224 25 19 26 27 19 19 19 19 19 19 19 19 19 19 19 19 19 | al Resources 6 99.43 100 Let 106.5 (-2.00)1 63 Americas | COSE. FORWARD PROCEING The letter F descries that priors are set on a forward back where of the phrature or sale being carried and. The pr which deals were carried out pectorists. Other aughbackty ridbes contained in last column of the | is so that investors can be given to deflecte price in rices appearing in the developer show (he prices as, FT Unit Trust information pages). | Peg Buth Amerika | m bid (50, yr) 78, 45 35, 35 56, 21 413 0 00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| Sm Did Git & F1 14/92 94 52 94 53.72 400 (2.94 | • | UKS | | | | | Illiaro Financial Services 136 (9995)F Bor-515 Austin Friest, Leadon ECZ . 01.5887511 Friest Windows . 31176.7 172.7 183.71 |
| | | | | • | • | | |

•

.

= 2 3

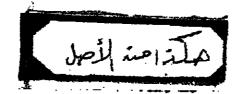
-1,

.

** = <u>\$</u> - * /

: -: : :

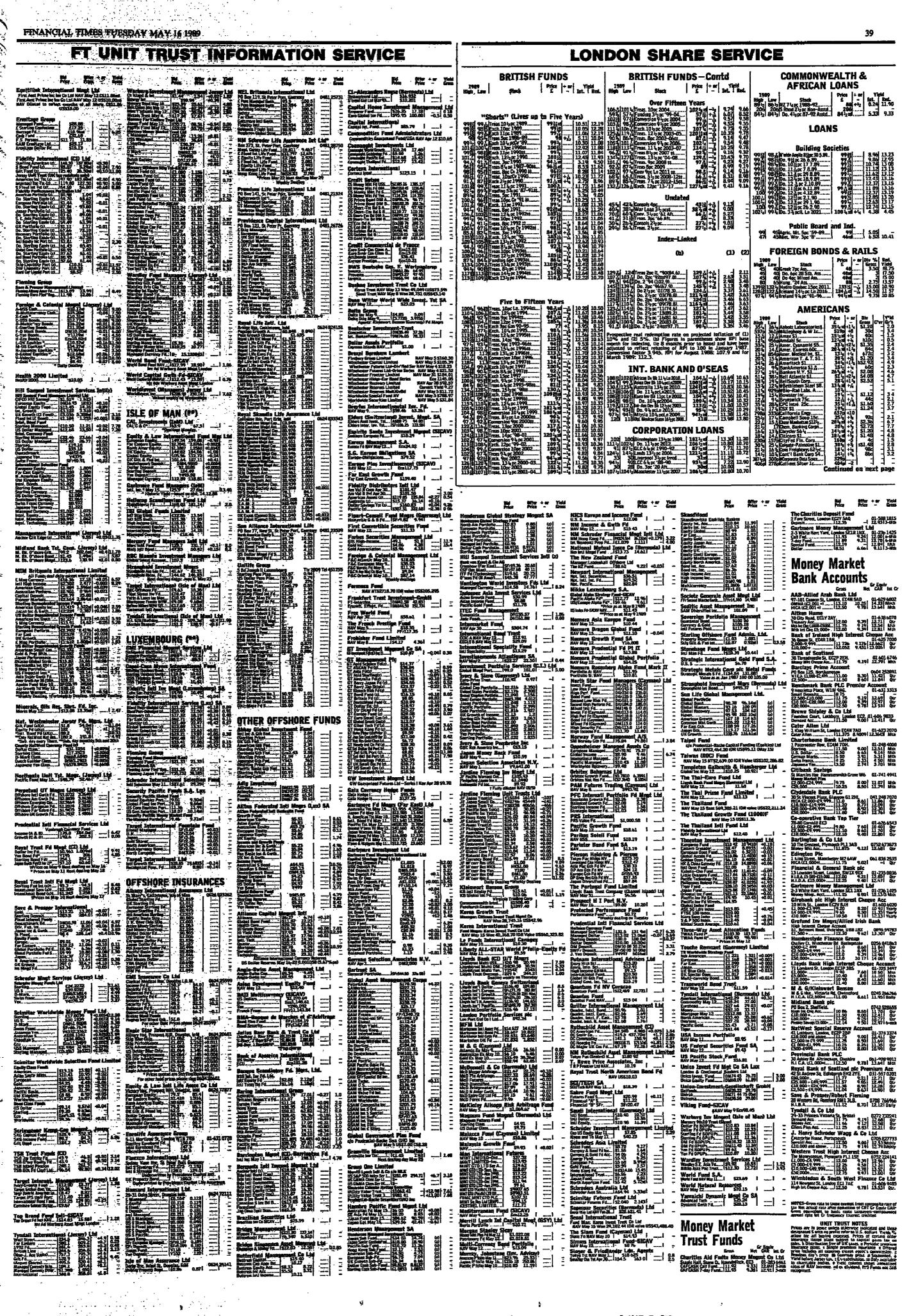
Bark Same



FINANCIAL TIMES TUESDAY MAY 46 1989 37 ● Current Unit Trust Prices are available on FT Cityline. To obtain your free FT UNIT TRUST INFORMATION SERVICE 369,7 530 4 364 0 461 2 159 2 241 5 247 7 375 8 138 4 209 6 +1.0 Smart Co. 3. 31-38 vs. 21-74 do. 144-0.30, 45 Exploy 200; Inset Stranger-1.36 Inh American ... 51-37, 17 52.71 62.71 67.781, 72 Inh American ... 51-37, 77 62.79 46.79 1-65.50, 47 Wright Seligman Freed Magns Lbd (1.005)H 11 84cmfeld St, London ECCH 7AV 01-568.0972 Growth ... 41-59 52.99 52.90 104-581 ... 52 Machin et al. 152 52.99 104-581 ... 52 The Yorkshire Unit Tst Abngrs Lbd (1.005)F Wrothoma Pt Freig Sdrg, Nadherfield ... 698-402250 Yorshire Growth ... 51 60.68 62.79 ... 600 104.14 52 YOTH Miller London ... 51 60.68 62.79 ... 600 104.14 52 YOTH Miller London ... 51 60.68 62.79 ... 600 104.14 52 NERMA ASSURANCECE MGM ASSURANCECE MGM ASSURANCECE MGM HURE, Heate Rd, Worthig UK Ensity Acc. 200, 9 Acc 13 Stantanion Acc. 253 4 Acc 10 Armerican Acc. 1772 1 Pacific Basin Acc. 368 2 Fasel interest Acc. 200, 2 Deposit Acc. 141 3 Assurance Acc. 142 3 Assurance Acc. 143 3 Assurance Acc. 144 3 Frest Basin Acc. 320 2 Pers. Sept. 545 Acc. 320 2 Pers. Run American Acc. 200, 2 Pers. Pacific Basin Acc. 305 2 Pers. Deposit Acc. 313 5 Pers. Pacific Basin Acc. 305 2 Pers. Deposit Acc. 313 5 Pers. Minamerican Acc. 313 6 Pers. Minamerican 121.9 126.7 136.5 136.5 113.9 101.5 115.2 281.0 264.8 181.2 387.6 273.9 213.2 148.8 270.6 117.6 +1.7 +1.4 +1.5 +0.5 +0.7 +0.7 +0.1 MEL Pensinus Lift Milton Court, Dorking Serrey Britischetz Pareis PMB Stri Mend Prioto. Do. Accust Dos Accust Frenderen Mayd Prioto. Do. Accust Frenderen Mayd Prioto. Do. Accust Pensinus Mayd Prioto. Do. Accust Britischetz Britischetz Do. Accust Britischetz Britischetz Do. Accust Britischetz Britischetz Do. Accust Britischetz Britischetz Do. Accust Britischetz Do. Accust Britischetz Do. Accust Britischetz Briti Pen Money. 1909. 1975. Eagle Star Insurance Co Ltd Sath Road, Oscitoshum 6153 71.0 1975. See Only Frank. 121.1 127.5 1862 (Dip Frank. 121.1 1907. 1862 (Dip Frank. 121.1 1907. 186.2 1907. 1908. 1909. 126.0 88.2 99.1 117.8 117.5 95.6 116.6 128.5 128.5 128.5 128.5 +23 +71 +39 +07 +01 +02 +17 Pers. Dentill Acc. 316. 8 Pers. Managed Ser 1 & 2. 491. 4 Procerty Ser 1 & 2. 293. 7 Guit Edged Ser 1 & 2. 306. 1 Depost, Ser 1 & 2. 293. 7 Interestinates Ser 1. 2 2. 306. 1 Depost, Ser 1 & 2. 293. 7 Interestinates Ser 2. 293. 1 Interestinates Ser 2. 293. 1 De Account. 200. Account. 200. Account. 2 Do Account. 300. Account. 3 Do Account. 300. Account. 3 Do Account. 300. Account. 3 Do Account. | Mortagen Acc. | 173.2 | 182.4 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182.8 | 182. Enguirie 517.3 492.3 626.9 406.4 240.3 264.1 423.6 For other prices phase telephone 0908 600888 Clerical Medical/Fidelity International Names Plain, System 852 0.1H Represent Fields | 119.5 | 119.5 | 44.6 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | - 20.0 | 1-98 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | 1875 | ---114.0 105.3 119.1 100.7 111.8 116.7 112.6 121.7 161.3 120.1 200 - 000 - Edinburgh Manay Management Lid Eguitable Life A Walton St. Aylesbury Largeau Largeau Largeau Largeau Fil of lim Tists. Gills & Fisce | let High Income. Introf Growth. Managed. North Americae Pelicae Largeau Largea Equitable Life Assurance Society 70W, 1033 2768 2268 143.1 244,3 143.2 131.5 150.1 216.1 272.6 227.5 208.6 405 -0.5 -0.4 -0.5 -0.7 -0.7 -0.7 -0.7 -0.7 -0.7 Laurentian Life plc Sarwood, Gloszester G4-772 Life Feats Grant Fuel. 331-3 Grant Gap. Fd. 200.4 Score Cap. Fd. 200.4 Grant Fd. 915-8 Property Fd. 915-8 Property Fd. 75reart je special 198 6 214 6 164 6 165 7 129 4 156 6 150 8 267 2 183 0 334 4 252 5 0452 371371 318.9 318.9 353.6 584.6 221.9 309.0 Hogh Yield May 11 200.4 432.0d 225 225 Nagh Yield May 11 200.5 200.5 200.5 5.6 200.5 Funds in Court Captal May II Gross May II High Yield May II Restricted to 10.6 12.7 91.8 316.6 241.6 142.1 279.4 144.0 198.2 146.4 150.1 182.2 250.9 98.7 333.3 254.6 294.1 151.6 208.6 158.0 246.4 191.8 264.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 40.1 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | 1014 | Grewth & Sec. Life Assec. Sec. Ltd Mill Grant Rd, Haywards Hith, W. Saccer 0444 (13307 et al. 25 et al. 2 tan 190.4 190.4 267.4 197.9 336.2 218.4 215.6 139.7 226.9 149.7 251.3 +1.4 +2.7 +1.7 +0.3 +4.2 +1.5 Landaris Ses Acc. 298.77 37 16 6. 6. 5. Sapar Mar. 298.77 17 16 6. 6. 5. Sapar Mar. 298.78 17 17 16 6. 6. 5. Sapar Mar. 298.78 17 17 16 6. 6. 5. Sapar Mar. 298.78 17 16 6. 6. 5. Sapar Mar. 298.78 17 16 7. Dones Web-Pris Se-In. 100.0 7. Dones Web-Pris Se-In. 100.0 7. Dones Web-Pris Se-In. 100.0 7. Dones Mar. 100.0 61-2637161 Equity & Law American Road, High thycumbe Refere. 65.2 Balanced (Minno). 442.8 Opportunity. 586.5 Si. America Fd. — Gormanaged Got. Myd. — Foreign Got. — Foreign Growth Cap. — Gormerly Imperial L. Pens Man Foreign Growth G ipitial prices availa For other prices teleph 119.4 119.4 152.6 116.5 115.4 147.1 133.6 167.0 136.2 146.7 146.7 146.7 241.0 412 9 5146 6112 5 546 3 566 3 127.61 Morray Johnstone VI I Integral Marry Extent Field Acre Expt 64y 10. 44.2 45.9 Evro Expt May 10. 46.7 50.7 Frost in Expt 10. 46.7 51.0 Japan Expt May 10. 52.4 64.9 Managed Expt May 10. 51.4 51.9 St Asia Expt May 10. 51.4 51.9 St Cas Expt May 10. 31.4 53.9 UK Expt Ext May 10. 48.2 50.6 UK Expt Ext May 10. 48.5 50.6 509.9 627 1 694 6 854.3 339.5 417.6 345.1 449.0 268.8 330.3 154.5 176.9 226.4 278.5 | Color | Colo 186.17 186.17 140.94 146.26 153.96 370.33 389.62 216.00 227.57 280.77 295.49 196.25 573.95 196.25 573.95 E 117.9 136.6 210.7 136.6 277.6 397.6 138.6 143.0 532.6 164.5 108.1 Managed, Property CRE, Opension Annually CRE, Opension Annually Cash Live Equity Cas Equity Cas Equity Inne Flored int Cas Flored int Cas Index Live Inv Managed I Hearts of Oak Insurance Group 34 Kespery, Lordon WCB 64F 40 SS Prop Fand 40 SS Prop Fand 40 SS Hassper Pand 40 SS Hassper Pand 40 SS Hassper Pand 40 SS Hassper Pand 40 SS P.P. Man Pand 40 SS P.P. Man Pand 40 SS P.P. Man Fand 40 SS P.P. Man Pand 40 S -l 270-01-40-40393 Franklington Life Insurance Ltd 3 London Wall Religions FC2M MIO 140 2 132 5 128 4 160 7 134 3 124 6 137 7 130.2 | Persians Standard Front. | 190.99 | 93.16 | 40.790 | HÖBS App Man Front. | 54.6 | \$7.5 | Friends Front. | 79.80 | 40.000 | HÖBS App Man Front. | 54.6 | \$7.5 | Friends Front. | 57.8 | \$7.5 | Friends Front. | 57.5 | Friends Friend INSURANCES 10727905 588897733 138897733

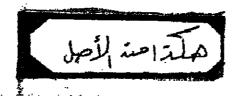
| R. St. 7 Date R. St. 7 Date | 38 | IT TOUGT INFORMATION SERVICE | Table on ST Circline. To obtain your tree |
|--|--|--|--|
| AMANDOT EXPERTS WE SEE TO SEE | Premium: Life Assurance Co Ltd 144,55772 Premium: Life Assurance Co Ltd 147,97,7 regress from Live Assurance Co Ltd 147,97,7 regress from Live Assurance Co Ltd 147,97,7 regress from Live Assurance Co Ltd 147,97,1 regress from Live Assuran | Shamille Life Assurance Co Life Couried. Shamille Cou | St. Comment Control Control |
| LICE BROUNG CONCESSES AND | Section Providence 1999 | Compared Life Assessment Consumer Compared Life Compared | Section Sect |
| Communication | Minimum Mini | Pen. Bryt. 54 Aug. 1943 200 3 | Section 1.1. 1.2. 1.1. |

المكذاصة لأصل



| 40 | LONDON SHARE SERVICE | The same of the sa |
|---|---|--|
| AMERICANS — Contd 1997 | 118 65HNSTEM 10p v 108m 25 3.9 3.1 11.1 437 375Booker 8 452 +2 18.0 1.8 5.3 12.6 11.9 11.0 fml. Colour. 9 11.8 11.0 6.6 1.1 15.9 54 375Booker 8 452 +2 18.0 1.8 5.3 12.6 11.9 11.0 fml. Colour. 9 11.8 11.0 6.6 1.1 15.9 54 375Booker 8 452 +2 18.0 1.8 5.3 12.6 11.9 11.0 fml. Colour. 9 11.9 11.4 6 3.1 4.9 9.5 54 375Booker 8 452 +2 18.0 1.8 5.3 12.6 11.9 11.9 11.9 11.9 11.9 11.9 11.9 11 | INDUSTRIALS (Miscel.)—Contd. Control Contd. |
| 3-5 Septembar Student 1, 19 3 3 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | ### 17 | 1973 1974 19 |
| 473 329AMEC 50s | 201 star 3 lb Corps, 150 1194 - 4 180 - 4 18 1 2 2 3 4 4 10.2 4 1 1 2 2 2 4 3 10.2 | \$43 \$57(\$\text{Rest} 10.0 \$ \text{ 10.0 \$ \text{ |

علدامية لأصا



| FINANCIAL TIMES TUESDAY MAY 16 1989 | | 41 |
|--|--|--|
| INCHPANCES | LONDON SHARE SERVICE | Laiest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128 |
| INSURANCES - Copta INSURANCES - Copta PAPER, PRINTING, INSURANCES - Copta Price - Ret. Crystal 828 1022 8538 m LIP 55 | TEXTILES TRUSTS, FINANCE, LAND - Co 1989 | Price Pric |
| 468 225 Bosey & Hawker V 453 +5 10.0 4 30 4 12.0 12.0 13.0 12.0 4.0 12.0 13.0 13.6 13.0 13.0 13.0 13.0 13.0 13.0 13.0 13.0 | 105 378 105 | 13 108Southees Res. 40p v 1815 - b 4 -10.3 50 26 \ \ \ \ \ \ \ \ \ \ \ \ \ |
| 113 95 Expedier Lets. 200. y 111-1 30.5 125 1150. Start Con Set Prof y 129 150.5 150 150 150 150 150 150 150 150 150 15 | 140 116 11 | 157 17 17 17 17 17 17 17 |
| 670 52effeath Unrin Gra Sa. 7 452 -3 125 0 23 3 0 75 5 333 200 tainer Set April 5 10 9.0 3.0 5.3 8.0 305 227 Sape Group 20b - 2 25 25 25 25 25 25 25 25 25 25 25 25 2 | 189 1408erry Starquet. 9 188s +2 6 0 1.1 2.9 76 44 0.0 Marants. 9 76 +2 77 78 11 11 11 11 11 11 11 11 11 11 11 11 11 | 3.8 1989 Stack Price or Biv Yist 135 |
| 465 3491 me Tees Sign | 1989 | Central Rand 121 Durban Deep R1 179 -4 -1 -4 35 Separant Grap 2 44 -1 -4 -4 |
| Components 1.0 8.2 0.9 172 750 Harmering A | 1111 550b. Wrmsts | 37/Valertoneing 20C. 39 - 1 20 30C 1.3 8.9 1 704Winkelmak R1. 88 4.1 88 |
| 111 88 Sciental Bater Actas, 116 2 253 2-4 3.81.21 119 119 140 140 (0.2 Hdbs.) 176 42 12.82 4.7 12.212.4 1100 119 (2.0 Hdbs.) 176 42 12.82 4.7 12.212.4 1100 119 (2.0 Hdbs.) 176 140 119 (2.0 Hdbs.) 186 140 119 119 119 119 119 119 119 119 119 11 | 465 350Emily Consort £1. v | 150 |
| NEWSPAPERS PUBLISHERS 20 18 2 18 2 18 2 18 2 18 2 18 2 18 2 18 | 2121749 Feming Mercantile 9 212 43 4.7 1.0 3.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2.0 2.7 2 | 55 Sixus. Plat. 10c. 9161+19 issu2200 1.4 5.5 stocks a Annualised dividend. b Figures based on prospectus or other offer estimate. t Central African Central African 20. 10.7 32 26 Falcon 250c. 25 hq5d 6 1 5.9 Sixuli sources. It Kenya as interior inspire than previous total. In Assumed dividend and yield after strip issue. J Payment from capital sources. It Kenya as interior inspire than previous total. In Assumed dividend and yield after strip issue. J Payment from capital sources. It Kenya as interior inspire than previous total. In Assumed dividend and yield exclude a special payment. Indicated dividend and yield exclude a special payment. Indicated dividend and yield asset on previous dividend, Pfc ratio based on dividend according to previous dividend, Pfc ratio based on previous dividend, Pfc ratio based on dividend according to previous dividend, Pfc ratio based on previous dividend, P |
| 231 18284and Come. Cort. at 123 18 53 18 53 123 12 12445 Scat. Berry. 20 p 163 1 12 41 26.5 2 172 117944astartin 29 p 172 12 41 26.5 2 1172445 Scat. Berry. 20 p 163 1 1025 5 6 8.8 1025 5 6 2 117944astartin 29 p 172 12 12 12 12 12 12 12 12 12 12 12 12 12 | 70-19 207 (C. Rittonel I. 15 p. y 27 249 45 1.0 4.1 5.5 p. y 1.0 4.2 6.5 p. y 1.0 4.1 5.5 p. y 1.0 4.2 6.5 p | 258 34 10 10120d 20 9.9 258 258 340 10120d 20 9.9 110 258 258 340 10120d 20 9.9 110 32 402 52 52 52 52 52 52 52 52 52 52 52 52 52 |
| 48-1 28 Action County 5 - 4 | 160 1278(Chanott Urzes 19. III 160 122 2.7 1.0 2.2 34 34 34 34 35 35 1.2 1.3 1.6 36 36 36 36 36 36 36 | 18 |
| 272 237 Corporal Carmers 10 by 273 5 1.0 5.5 1.4 2.15 1.5 2.15 1.4 2.15 1.4 1.2 1.5 1.4 1.4 1.2 1.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 | 270 240 Bloorgate Inv. 152. v 90 4 5.7 5 1.0 3.7 205 173 Wood State British 2 2 4 5 4 5 5 5 5 6 5 5 5 5 6 5 5 5 5 6 5 5 5 5 6 5 | 248 212/#Emperor Wines. 234 2 |
| 379 278 More 6 Fert. 109. u 373 20 03.76.60.3 20 03.76 | 158 1 259-reiss Metak 1st v | 14 13 64P-Rear Res Al. 61 -1 120 64P-Rear Res Al. 64 -1 -1 -1 120 64P-Rear Res Al. 64 -1 -1 -1 -1 -1 -1 -1 - |

1

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar's surge continues

THE DOLLAR continued its upward surge yesterday, in trading generally confined to London, and the main North as the market began to look American financial centres. Most of Continental Europe was on holiday for Whit Monday, meaning there was little opportunity for co-ordinated central bank intervention, but the US Federal Reserve, Bank of Canada and Bank of Japan all sold dollars during the day. After Friday's intervention failed to stem the dollar's

advance, there was reason to believe that any central bank re-entering into the market would be fairly circumspect, and this seemed true of the Federal Reserve. The US authorities sold dollars at around DM1.9410 and Y137.10, but the intervention appeared to be moderate and was only partly the reason the dollar fin-ished below the day's highs. The other factors was that trading was relatively thin with so many centres closed, and the dollar simply ran out

resistance point of DM1.9450. A rise of 0.4 per cent in April US industrial production was larger than market forecasts of 0.2 to 0.3 per cent, but recent indications of a slowdown in the US economy were under-lined by sharp falls in Ford's

of steam, after failing to estab-lish a firm base above a techni-

e in New York

| | | 120% |
|----------------|--|--|
| £ Spot | 1.6370-1.6380 0.42-0.41pm 1.27-1.25pm 4.63-4.53pm | 1.6610-1.6620 0.40-0.38pm 1.27-1.24pm 4.60-4.50pm |
| Forward premiu | ns and discounts ap | ply to the US dollar |
| STE | RLING II | IDEX |

| | | Nay.15 | Previous | | |
|---|--|--|--|--|--|
| 8.30 9.00 10.00 1.00 1.00 2.00 3.00 4.00 | | 94.9 94.9 94.7 94.7 94.7 94.7 94.6 | %1 %1 %1 %1 %1 %3 %3 %3 %5 %3 %5 %5 %5 %5 %5 %5 %5 %5 %5 %5 %5 %5 %5 | | |
| CURRENCY RATES | | | | | |

May 15 Rate Special European

| | rate % | Rights | Unit |
|---|---|---|--|
| Sterling U.S Dolfar Canadian S. Austrian Sch. Belgian Franc Danish Krone Danish Krone Danish Krone Franc Franc Hallan Ura Japanse Yeo Norway Krone Spanish Peseta Swedish Krona Swedish Krona Swedish Krona Swedish Krona Krona Swedish Krona Krona Swedish Krona | 550 95 135 215 95 45 201 ₂ | 0.768969 1.27818 1.51707 17.2439 51.2546 9.54389 2.45091 2.76496 8.28516 1.786.42 1.73.321 8.28772 1.52.602 2.18888 208.481 0.916918 | NIA NIA NIA NIA NIA NIA NIA NIA NIA NIA |
| | | | |

| CURRENCY MOVEMENTS | | | | |
|--|--|---|--|--|
| May.15 | Bank of England Index | Morgan ^{eo} Gearanty Changes % | | |
| Sterling U.S. Dollar Canadian Dollar Asstrian Schilling. Belglan Franc Danish Krose Desische Mark Senss Franc Guilder French Franc Ura | 94.6 70.4 103.6 105.5 102.5 102.3 109.6 97.9 144.3 | -16.8 -8.3 +0.3 +0.9 -6.2 -20.3 +11.7 +12.9 -15.3 -15.7 +76.2 | | |
| Morgan Guarant | r Chances: a | merage 1980- | | |

| Morgan Garanty Changes: average 1980- 1982-100, Bank of England Index (Base Average 1985-100)**Rate: are forMay.12. OTHER CURRENCIES | | | | | | |
|---|---|---|--|--|--|--|
| May 15 | £ | 4 | | | | |
| Argentica Australia Brazil Finland Greece Hong Kong Iran Lucentourg Marakti Lucentourg Malaysta M. Zesland Saudi Ar. Signapore | 181.60 - 181.90 2.1045 - 2.1045 1.7855 - 1.7940 7.0855 - 7.1045 268.70 - 273.05 12.7360 - 12.7490 120.00° 120.00° 1099.65 - 1108.50 0.47820 - 0.47820 4.6105 - 4.4215 4.4105 - 4.4215 4.413 96 - 4018.00 2.6880 - 2.6930 6.1430 - 6.1473 3.2115 - 3.2170 | 110.80 - 110.90 1.2845 - 1.2855 1.0900 - 1.0950 4.2880 - 4.2500 7.7740 - 7.7760 71.20 - 663.80 - 669.20 0.29200 - 0.2920 40.60 - 80.70 2.493.00 - 2.6960 2.493.00 - 2.6960 1.6405 - 1.6430 3.7500 - 3.7510 | | | | |

towards a possible easing of the Federal Reserve's mone-tary stance, coupled with tight-ening in West Germany and Japan, the dollar continued to advance. This may seem con-tradictory, but was based on the belief that US investments are attractive at the present level and that prices of US Treasury bonds will rise. Doubts about the interest rate situation mean there is no similar attraction in German and

Japanese paper.

The Bank of Japan probably intervened three times in Tokyo yesterday, selling in the region of \$500m at levels below Y137.00, but this was not enough to dent the market's enthusiasm for the dollar. It touched a peak of Y137.65 in Europe and closed at Y137.20, compared with Y135.90 on Fri-

DM1.9400 during the morning in London, advancing to a peak of DM1 9495, touching its high-est level since December 1996. before closing at DM1.9420, against DM1.9190 at the previous close.

In terms of the Swiss franc. the dollar rose to SF11.7385 from SF11.7175 and in terms of the French franc to FFr6.5625 from FFr6.4900.

Sterling continued to attract little attention and moved in line with the D-Mark, losing ground to the very strong dol-lar. The pound fell 2 cents to \$1.6395, the lowest closing level since October 1987, but finished unchanged at DM3.1850 and SFr2.8500. It declined to Y225.00 from Y225.50 and to

FFr10.7600 from FFr10.7700. The dollar's index, on Bank of England figures, rose to 70.4 from 69.3, the highest since the index was rebased at the beginning of the year, while ster-ling's index fell 0.6 to 94.6, the lowest since the index was

| he | dolla | r Lose | above | rebased. | | | | | |
|--|----------------------------------|--|--|---|---|---|--|--|--|
| E | EMS EUROPEAN CURRENCY UNIT RATES | | | | | | | | |
| | | Eco central rates | Currency amounts against Ecu May 12 . | % change from central rate | % change adjusted for dinergence | Divergence limit % | | | |
| Krone II D-Mi Franc Guilder um | pt. | 42.6582 7.85212 2.65853 6.90403 2.31943 0.768411 1483.58 | 43 5919 8.10782 2.08253 7.04043 2.34739 0.779342 1517.70 | +2.67 +3.26 +1.17 +1.98 +1.21 +1.42 +2.30 | +0.93 +1.52 +0.57 +0.24 +0.53 -0.32 +1.27 | ±1.5344 ±1.5404 ±1.0981 ±1.3674 ±1.5012 ±1.6684 ±4.0792 | | | |

| hanges ar | e for Ecr | therefore positive | change denotes a | a weak cante |
|-----------|-----------|--------------------|------------------|--------------|

| May.15 | Day's spread | Close | One storch | 9. 19.4 | Three expects | ٦. الأ |
|--------|--|---|---|--|--|--------------------------------------|
| rs | 1.6335-1.6536 1.9900-1.9965 3.56-3.591-66 640-66 85 12.36+1.240*, 1.1870-1.1940 3.18-3.19*, 261.00-263.30 197.90-198.75 23114-2317*, 11.42*, 11.49*, 10.72*, 10.764; 244; 226 2244-226 2244-2246 | 16390 - 16400 1 9515 - 19525 3584, -3594, 66.60 - 66.70 12.39 - 12.40 1.1895 - 1.1905 3184, -3.185, 32.30 - 26.3.30 139.10 - 198.40 23124, -23134, 11.634, -11.794, 10.735, -10.764, 10.735, -10.764, 2244, -225, 2239 - 22.42 2494, -225, | 0.43-0.42mm 0.14-0.05mm 14-1.5cmm 28-23cmm 0.40-0.35mm 14-1.5cmm 10-1.7cmm 3-1.1cmm 24-1.5cmm 15-1.5cmm 15-1.5cmm 15-1.5cmm 15-1.5cmm 15-1.5cmm 15-1.4cmm | 1186712864312867128 4.186742864312867128 4.1867128 | 1.28-1.25pm 0.45-0.25pm 5-24pm 77-73pm 10-0.90pm 1.00-0.90pm 1.04-44pm pa-86cm 8-6sm 6-5-5-pm 43-34pm 42-41pm 322-271-pm | 0.54 3.55 0.12 2.31 7.55 |

| DOLLAR SPOT- FORWARD AGAINST THE DOLLAR | | | | | | |
|---|--|--|---|--|--|---|
| May.15 | Day's spread | Close | Que month | % D.E. | Timee anomiles | % p.i. |
| UK; relandi | 16335-16530 13705-13830 11885-11940 21770-21960 40,40-40,80 8//A 19055-19495 160,10-160,65 120,45-12130 14034-1417-2 M/A 6524-658 136,65-137,65 N/A 17240-1,7490 | 1.9415 - 1.9425 160.35 - 160.45 120.90 - 121.00 14104 - 14114 7.004 - 7.014 6.56 - 6.561 ₂ 6.55 - 6.551 ₆ 137.15 - 137.25 | 0.43-0.42cpm 0.12-0.17cdk 0.29-0.27cdk 0.50-0.48cpm 0.50-0.55crpm 0.54-0.51cpm 42-57cdk 15-52cdk 15-52cdk 120-2.701redk 0.47-0.72credk 0.47-0.72credk 0.43-0.3cpm 0.71-0.86credls 0.63-0.61pm 2.80-2.30gropm 0.80-0.37cpm | 311 -127 -258 167 -324 -138 -138 -128 -128 -124 -124 -124 -124 -124 -124 -124 -124 | 1.28-1.23pm 0.18-0.28dt; 0.86-0.72dt; 1.27-1.23pm 1.35-0.95pm 1.31-1.27gm 1.31-1.27gm 1.25-1.75dt; 6.20-4.70dt; 1.50-1.40pm 2.55-2.80dt; 1.61-1.57pm 9.00-7.50pm | 306 -9.57 -2.28 2.37 -0.61 -2.65 -3.75 -1.82 -1.83 -1.63 4.64 2.29 |
| t UK and Irela Individual cu | and are quoted to US rrency. Belgian rate i | correscy. Forward on a for convertible frame | eniums and discour es. Financial fram | 40.75 4 | o the US dollar acc 0.85. | soi, to the |

| May.15 | Short | 7 Days | Cine | Three | Six | Gne |
|--|--|---|---|---|--|--|
| | term | notice | Month | Months | Months | Year |
| Sterling US Dollar Zon, Bollar Zon, Bollar D. Gulkler Sw. Franc Dentschmark Fr. Franc Hallan Lire B. Fr. (Clon.) Yen O. Krone Stelan SSing | 124-12 93-93 124-114 63-63 63-63 84-84 11-9 74-74 8-75 43-84 85-84 | 124-124 91-93 124-114 63-68 74-63-6 83-84 113-103 8-73 84-73 84-43 84-83 93-94 | 12 % 12 % 12 % 12 % 12 % 12 % 12 % 12 % | 12 (5-12); 93-93-11; 113-11; 173-73-73-83-83-83-83-83-83-83-83-83-83-83-93-93-93-93-93-93-93-93-93-93-93-93-93 | 126-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1- | 123-12 95-94 115-11 71-74 71-74 9-83 12-11 85-84 85-84 91-92 104-9 |

| _ | | | | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------|
| | | EX | CHA | NGE | CRC | SS I | ATE | <u>s</u> | | |
| May.15 | 3 | s | DM | Yeo | F Fr. | S Fr. | ЯFI. | Lina . | C\$ | В |
| <u>£</u> | 0.610 | 1.640 | 3.185 1.942 | 225.0 137.2 | 10.76 6.561 | 2.850 1.738 | 3.588 2.188 | 2313 1410 | 1.952 1.190 | 4 |
| DM | 0.314 4.444 | 0.515 7.289 | 1 14.16 | 70.64 1900, | 3.378 47.82 | 0.895 12.67 | 1.127 15.95 | 725.2 10280 | 0.613 8.676 | 2 |
| F Fr. S Fr. | 0.929 0.351 | 1.524 0.575 | 2960 1.118 | 209.1 78.95 | 10. 3.775 | 2.649 1 | 3.335 1.259 | 2150 811.6 | 1.814 0.685 | 6 |
| H FI. Lira | 0.279 0.432 | 0.457 0.709 | 0.888 1.377 | 62.71 97.28 | 2.999 4.652 | 0.794 1.232 | 1 1.551 | 644.6 1000. | 0.544 0.844 | 11/2 |
| C 5 8 Fr. | 0.512 1.500 | 0.840 2.461 | 1,632 | 115.3 337.6 | 5.512 16.14 | 1.460 4.276 | 1.838 5.383 | 1185 3470 | 1 2929 | 34 |

FINANCIAL FUTURES

JUNE SHORT sterling futures fell to 87.02 from 87.07 in quiet trading on the Liffe market yesterday. A long walk to work or sitting in a long traffic jam, as London bus crews and underground train workers held a one-day strike, reminded traders of the present mood of industrial unrest in some sec-

| tors of the UK economy. | | | | | | | | |
|---|---|--|--------------------------|----------------------------|--|--|--|--|
| | HS COLI FUTT | | | | | | | |
| Strike Price 93 94 95 97 | Eaths-seitler Jan 330 231 133 42 | Sep 429 336 247 201 125 | Jan 0 1 3 12 | Sep 7 14 25 43 | | | | |
| 97 98 | 12 2 | 59 38 | 46 136 234 | 137 216 | | | | |

| Previous S | ay's open ir | t. (alis 3 | 2103 Pirts | 25% |
|--|---|------------------------------------|---|---------------------------------|
| LIFFE \$/5 | OPTRAIS ands per El | | | |
| Strike Price 150 155 166 165 170 175 180 | Calls-sett Jun 875 412 136 27 3 | 875 453 196 65 16 3 | Peris-se Jun 11 82 306 697 1173 1670 | 46 163 406 775 1226 |
| Estimated Previous & | volume tou ly's open in | ai, Calis 2 al Calis I | 10 Pats 0 78 Pats 16 | 505 |

| _ | | | | |
|----------------------------|--------------------------------|------------------------|----------------|----------------|
| LONDO | N (LIFF | Ð | | |
| 29-YEAR 9 950,000 32 | % NOTTONAL | . 6017 | | |
| Jun Sep | Close 95-15 96-11 | High 95-26 96-19 | 95-14 95-13 | 95-23 95-18 |
| Estimated \ Previous da | /olume 8518 y's open int. i | (19835) 25824 (25 | 751) | |
| | 9% NOTION bels of 188% | | | |
| Jen Sep | Gase 92-15 | High | LOW | Pret. 92-20 |

Estimated Volume 0 (0)

| US TREAS \$100,000 | URY BONDS 8 | * | | |
|--------------------------|-------------------------------|-------------------------|------------------------|---------------------|
| Jun Sep Dec | Close 91-00 90-28 | 91-06 91-03 91-03 | 90-25 91-03 | 90-2 90-2 |
| Estimated Previous di | Volume 2921 By's open int. | (5264) 7442 (754 | 30 | |
| 6% NOTE DM 258,00 | MAL GERMAN 00 1000ths of 1 | 66VT. B | DelD | _ |
| Jan Sen | Gost 92.91 92.50 | High 93.08 92.64 | 1290 92.90 92.53 | Pre 93.2 92.8 |

| | | ITA STERLI olak al 180 | | | |
|---|-------------------------------|---|---|--|---|
| | Jys Sep Dec Mar | Close 87.02 87.45 87.99 88.29 | High 87.09 87.53 88.03 88.32 | 1.00 87.01 87.44 87.98 88.28 | Pres. 87,07 87,53 88,05 88,35 |
| | Est. Vol. (in Previous day | r., figs. not s 'S open int. | down) 110 83820 (82 | 175 (2648) 1216) | 39 . |
| | THREE MOR | ITH EURODO | LLAR | | |
| | Jus Sep Oes Mar | Close 90.47 90.76 90.77 90.92 | fligh 90.50 90.83 90.64 90.99 | Low 90.45 90.74 90.76 90.97 | Pres. 90.45 90.75 90.75 90.94 |
| 1 | Est., Vol., (la | c. flys. not s | bowe) 83(| 3 (19176 | |

| Jun Sep Dec Mar | 92.97 92.78 92.74 92.81 | 93.04 92.83 92.77 92.81 | 92.95 92.76 92.73 92.78 | 93.09 92.93 92.89 92.92 |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Volume 3559 N's open int. | | 672 | |
| FT-SE 100 925 per ha | ZNOEX B lodex point | | | |
| Jun Sep | Close 217.45 221.30 | High 218.00 | 10w 216.60 | Pres. 216.15 219.90 |
| Estimated Previous da | Volume 2135 y's open ist. 1 | 14092) 20555 (20 | 317) | |
| POURCE-S | FOREIGN EX | CENTRED | | |

1-mats. 3-mats. 6-mats. 12-mats. 16353 16270 16140 15934 Sont 1.6395

MONEY MARKETS London rates steady

conflicting pressures dominated the world interest rate scene yesterday. Friday's lower than expected rise in April US producer prices increased speculation that the Federal Reserve will ease its monetary policy. The Federal Open Market Committee meets today while on Thursday the today, while on Thursday the West German Bundesbank council meets and the financial markets will not be totally surprised if this results in a rise in key German rates.

Interest rates in London

were little changed as domestic UK clearing bank base leading rate 13 per cent from November 25

considerations, including inflation, mean there is little prospect of lower UK bank base rates. Three-month sterling interbank closed unchanged at 12%-1213 per cent.
The Bank of England ini-

tially forecast a money market credit shortage of £100m, but revised this to £200m at noon. Help of £235m was provided before lunch, when the authorities bought bank hills in band 1 at 12% per cent. The Bank of England did not operate in the market in the afternoon.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £566m, with bank balances below target absorbing £125m. These factors

outweighed Exchequer transactions adding £100m to liquidity and a fall in the note circulation of £510m.

In Tokyo the strength of the dollar against the yen increased expectations of a rise in the Bank of Japan's discount rate. Long-term credit banks may raise their long term prime rates by 0.2 per cent to 5.9 per cent from June 1, but only if the central bank increases its discount rate, according to dealers.

The Bank of Japan may be waiting for more information on inflation. Japanese wholesale prices for April will be published this Friday and the April consumer price index on the following Friday.

The Bank of Japan bought Y700bn of one-week bills yes-terday at the market rate of 443 per cent, to offset a market shortage of Y710bn, giving no clue to the official attitude on

A decision on long term prime rates will be made on May 25. Pressure for higher rates has followed a rise in yields on bank debentures on the secondary market.

In Rome the Bank of Italy drained liquidity from the banking system via a reverse securities repurchase tender. The weighted average rate at the tender for fixed rate Treasury bills rose to 11.62 per cent, from 11.59 per cent at the previous tender.

FT LONDON INTERBANK FIXING (11.00 a.m. May.15) 3 months US dollars

| he fixing vales are the | arithmetic means | ounded to the sessect | non-sixteenth of the h | id and offered rates for 9 |
|-------------------------|--------------------|-----------------------|------------------------|----------------------------|
| ucted by the market to | fine reference but | sks at 11.00 a.m. eac | h working day. The bar | oks are Mational Westerl |
| ank, Bank of Tolyo, | Deutsche Bank, B | aonse itational de Pr | aris and Morgan Guara | enty Trast. |
| | | • | | • |
| | | | | |

MONEY RATES Bill's and Bonds May.15 6.05-6.15 813-814 617-63 6.75-6.68 414-414 1214-125 8 60 714-8 煜

| L | ONDO | N MC | NEY | RATE | TES | | | | |
|---|-------------|--------------------------------------|------------------------------|--------------------------------------|---------------|-------------------|--|--|--|
| May.15 | Overnight | 7 days notice | One Month | Three Months | Six Months | Gne Year | | | |
| rbank Offerrbank Bld | 125g 11% | 121 ₂ 121 ₄ | 12 1 12 1 12 1 12 1 | 1212 122 122 121 | 121 | 12% 12% 12% | | | |
| al Authority Deps Il Authority Bonds Count Mkt Deps | 12½ 12½ | 121 ₂ 123 | - | • • | 逌 | 120 | | | |
| ipany Deposits | - | - | 12. 12. 13. | 1212 1213 1214 1214 1214 | 12H 12% | 123 124 | | | |
| isury Bills (Buy) L Bills (Buy) | : | : | 125 125 126 | 拉引 | 124 | - | | | |

Tressury Bills (sell); one-month 124, per cent; three months 124, per cent. Bank Bills (sell); one-month 123, per cent, three months 121, per cent. Tressury Bills; Average tender rate of discount 12.2451 p.c. EGGD Fixed Res Sterling Export Finance. Make up day April 28, 1999, Agreed rates for period May 24,1989 to June 25, 1989, Scheme 11,396 p.c., Scheme is it & III: 14.43 p.c. Reference rate for period April 1 to April 28, 1989, Scheme 19,29: 13,209 p.c. Local Authority and Finance Houses seven days finite, others seven days fixed. Finance Houses Base Rate 13 ½ from May 1, 1989; Bank Deposit Rates for sums at seven days notize 4 per cent. Dertificates of Tax Deposit Scriets 6); Deposit Rates for sums at seven days notize 4 per cent; one-three months 11 per cent; three-six months 11 per cent; six-nine months 11 per cent; inhe-twelve months 11 per cent; Under £100,000 9½ per cent from December 1,1988; Deposits withdrawn for cash 5 per cent.

Short sterling futures weak

Estimated volume lotal, Calls 260 Pass 52 Previous day's open lat, Calls 2784 Pass 2262

LIFFE EUROPOLLAR OPTIONS Elm points of 198%

show unchanged growth of 9.25

per cent.
Other market sensitive figures on money supply, bank lending and the retail prices

index will be announced on

Friday. A rise of 1.4 per cent is expected in the April RPI, tak-ing the year-on-year inflation

rate down to 7.7 per cent from

7.9 per cent.

This gave the market a depressed tone during a week when attention will turn to economic performance and par-ticularly any sign of rising earnings. UK employment data will be published on Thursday and, according to a survey by MMS International, it is generally expected that the rise in average earnings in March will

| | | | | | _ |
|-------------------------|----------------------------|----------------------------|-------------------------|----------------|---|
| LIFFE LO | RS COLT F | UTURES O | PTEONS | | - |
| Strace | Carls-set | clements | | Demests | |
| Price 92 | 100 | Sep | 780 | Sep | |
| 93 | 23U 231 | 927 | Ÿ | ,, | |
| - 4 | 330 231 133 | 247 | 3 | 25 | |
| 95 | 42 | 201 | 12 46 | 43 | |
| <u>%</u> | ള | 125 | - 46 | . 103 | |
| 95 96 97 98 | ž | 59 38 | 136 234 | 215 | |
| | • | | _ | 240 | |
| Estimates Previous & | volume tot ay's open ir | ai, Calis 1 st. Calis 3 | 455 Pots 2 2103 Pots | 2389 2538a | |

| riokib s | eal, 2 obles fust | (21ls 3 | 455 Pats 2103 Pats | 257% |
|--|--|------------------------------------|--|-----------------------------------|
| LIFFE \$/5 \$25,800 L | OPTEMS cents per £2) | | | |
| Strike Price 150 155 160 165 170 175 180 | Galls-settle Jun 875 412 136 27 3 0 | 875 453 196 65 16 3 | Pots-se Jun 11 82 306 697 1173 1670 | 163 406 775 1226 1713 |

| Previous da | y's open lat. | Caris 178 | Pots 160 | 5 |
|-------------|----------------------------|------------------------|-----------------------|-------------------------|
| LONDO | N (LIFF | Ð | | |
| | % NOTTONAL 2007 to zinc | | - | |
| Jun Sep | Gose 95-15 96-11 | High 95-26 96-19 | 10W 95-14 96-13 | Pres. 95-23 96-18 |
| | olupe 8518 /s open int. | | עכנ | |
| | 9% NOTION pals of 1,00% | | | |
| , | Clase | High | Low | Pier |

| Premius 40 | у э орон ин- | 103 (10) | ' | |
|---------------------------|------------------------------|------------------------|----------------|-------------------------|
| US TREAS | URY BONDS 8 | % | | |
| Jun Sep Dec | Close 91-00 90-28 | High 91-06 91-03 | 90-25 91-03 | Prev. 90-28 90-23 |
| Eximated 1 Previous da | /olume 2921 y's open int. | (5264) 7442 (754 | 13) | |
| | MAL GERMAN O 1000bs of 1 | | OND | |
| Jana . | Close 92.91 | High 93.08 | 92.90 | Prev. 93.24 |

| . Previous da | y's open lint. | PT005 (PC | MED | | | | | |
|---------------------------|--|--|---|---|--|--|--|--|
| THREE ME DM lm pai | KTH EURÓR) 25 af 199% | URK | | | | | | |
| Jun Sep Dec Mar | Cless 92.97 92.78 92.74 92.81 | High 93,04 92,83 92,77 92,81 | 10W 92.95 92.76 92.73 92.78 | Pres. 93.09 92.93 92.89 92.92 | | | | |
| | Estimated Volume 3559 (8227) Previous day's open Int. 11750 (10872) | | | | | | | |
| FT-SE 100 \$25 per tel | DiDEX Lodex point | | | | | | | |
| Jun Sep | Close 217.45 221.30 | High 218.00 | 216.60 | Pres. 216.15 219.90 | | | | |

PHILANGLPHIA SE E/S OPTIONS E31,250 (cods per E1) CHICAGO 199519136000116661 199519136000116661 U.S. TREASURY BRUS (DBM) Slow points of 180% Pres. 91.93 92.25 92.25 92.37 92.46 92.46 11iph 91.96 92.28 92.32 92.40 BASE LENDING RATES

| KON DOM | | CACORE DANK 73 | BATHCABARC |
|----------------------|------------|-----------------------------------|-------------------------|
| Adam & Company | 13 | Comma.Bk.N.East | Northern Bask Ltd |
| AAB - Allied Arab Bk | | Co-operative Bank *13 | Norwich Gen, Trest |
| Allied Irish Bank | 13 | Coatis & Co 13 | PRIVAThanken Listated . |
| Heavy Asstracter | 13 | Cygnes Popular Bk | Provincial Bank PLC |
| ANZ Banking Group | | Distribut Basek PLC | R. Raphael & Sons |
| Associates Cap Corp | 12 | Depreson Lawrie 13 | Roxburghe & rastee |
| Authority Bask | Ī | Equatorial Bank plc 13 | Royal Bk of Scotland |
| B & C Merchant Bank | | Exeter Trest Ltd 131 ₂ | Royal Trest Bank |
| Bank of Baroda | | Financial & Geo. Bank 13 | Sneith & Willman Secs |
| Banco Bilbao Vizcaya | Ī | First Matlonai Bank Pic. 14 | Standard Chartered |
| Bank Happalim | <u> 13</u> | Robert Fleming & Co 13 | T\$8 |
| Bank Credit & Comm | | Robert Fraser & Pters 1319 | United Blk of Kungait |
| Bank of Corons | | Girobank | United Mizzahi Bank |
| Bank of Ireland | 13 | Guinness Mation | Unity Trust Bank Pic |
| Bank of India | | HFC Bank pk; 13 | Western Trest |
| Bank of Scotland | | Hambrus Bank | Westpac Bank Corp. |
| Banque Selge Ltd | ī | Heritable & Ges lan Bolt 13 | Whitemay Laidlad |
| Barclays Basik | Ĭ | ● Hill Samuel | Yorkshire Bank |
| Benchmark Bank PLC | | C. Hoart & Co | |
| Berlioer Bank AG | | Honortona & Shanch 13 | • : |
| Prince can de Latin | _ | بد سدد الإكتابية به يعدونه | |

Brit Bit of Mid East..... • Brown Shirle Central Capital Charterhouse Back

Citibank NA. City Merchants Bank 13

 Members of British Merchant, Banking & Securities Houses Association. *Deposit now 5.9% Savenise 8.5%. Top Her-\$10,000-testant access 12.1% & Mortgage base rate. § Demand deposit 8%. Mortgage 13.625% - 14.00% 13

Because of a public holiday in the Netherlands, the European Traded Options table was not available for this edition.

MAGAZINE PUBLISHING

The Financial Times proposes to publish this survey on:

23rd June 1989

For a full editorial synopsis and advertisement details, please contact:

> Neville Woodcock on 01-873 3365

> or write to him at:

Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES

MAGAZINE PUBLISHING

The Financial Times proposes to publish this survey on: 23rd Jame 1989

Neville Woodcoc on 01-873 3365

or write to him at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

ا لم [زاهن الم

Financial Information Service on Japanese Corporate Issuers **MIKUNI'S** CREDIT RATINGS on about 4,000 band issues and about 1,000 short-term notes Cost: US\$ 3,600 per year

To Millumi & Co., Lid. Dai-lohi Meri Building 12-1. Nishi-Shembashi 1-chome Mintero-ku. Tokyo 105, Japan or, Telex J33118 Name

COMPANY NOTICES

FIDELITY BALANCED PORTFOLIO Société d'Investissement à Capital Variable 5, boulevard de la Foire R.C. Luxenbourg B 25918

NOTICE OF ANNUAL GENERAL MEETING Notice is hereby given that the ANNUAL GENERAL MEETING of the Share-holders of FIDELITY BALANCED PORTFOLIO, a Société d'Investissement a Capital Variable organized under the laws of the Grand Duchy of Luxembourg (the «Fimd»), will be held at the registered office of the Fund, 5, boulevard de la Foire. Luxembourg at 11 a.m. on May 25, 1989, specifically, but without limitation, for the following purposes:

following purposes:

1. Presentation of the Report of the Board of Directors:

2. Presentation of the Report of the Auditor, Approval of the balance sheet and income statement for the fiscal year ended

4. Ratification of the co-option of Jean Hamilius as a Director of the Fund in re-teamication of the cu-option of Jean manning as a Director of the Fund in replacement of Compagnie Fiduciaire;
 Election of seven (7) Directors, specifically the reelection of the following seven (7) present Directors: Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Jean Hamilius, Hisashi Kurokawa, John M.S. Patton and H.F. van

6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxen-

7. Declaration of dividends on the Fund's Class A and Class B shares in respect of

the Fiscal Year ended January 31, 1988; 8. Consideration of such other business as may properly come before the meeting. 8. Consideration of such other business as may properly come before the meeting. Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. With respect to item 7, each class will vote separately its approval of the dividend to be paid on shares of that class; the affirmative vote of a majority of the shares of that class present or represented at the meeting will be required in addition to the affirmative vote of a majority of the vote of the combined classes present or represented at the meeting to approach the divident.

approve the divident.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of either or both Class A and Class B shares which constitute in the aggregate more than three percent (3%) of the outstanding shares of both classes, each share is entitled to one vote. A shareholder may act at any meeting by proxy. By order of the Board of Director Dated: April 25, 1989

SOCIETE NATIONALE NS DE FER FRANCIS

24 S. 150-4 St. 500.00E,-- Ploating Rat Notes Due 1911

The Republic of France

COMMERCIAL BANK

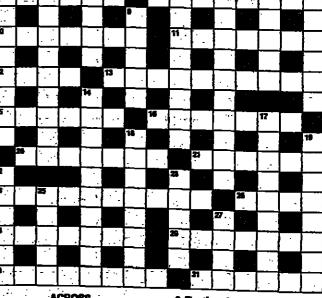
OF THE NEAR EAST PLC

Holders of Share Warrants to Bearer are informed that they will receive payment of the dividend for 1926 of 30p per share on and after 18th May 1959 upon presentation of the Share Warrant, together with a statement of their name and address, at the office of the Bank, Bankaide House, 107-112, Leadenhall Street, London ECJA 4AE. Share Warrants-must be telt at the Bank for three clear days.

JOTTER PAD

CROSSWORD

No.6,935 Set by TANTALUS



Ahout to go to the high sea for stay (6)
 Ugly person gets neuralgia

10 Soldier to make mistake in rank (7) 11 Withdraws

11 Withdrawn pensioner? (7)
12 Passable food we hear (4)
13 Eager desire may cause a
pair to sin (10)
15 Artist and doctor join the

French for country walk (6) 16 Dish two swimmers kept clean (7) 20 Working at terse copy of court record (7)

Agree to steer many to old city (6) 24 Consider it's intentional (10) 26 Port Authority starting new

design (4)
28 Hill dweller joins girl coming back with horn (7)
29 Understand it – a pound for this watch (7)
30 Subjugates directions to

wash on board (8)
31 Was afraid of becoming dealer? (6) DOWN

1 Water creatures fear riot breaking out (8)

2 Term-day in Scotland when boy goes to mother's (9) 3 Flower girl (4) 5 Tory laid out with skill (8)

6 Further hundred - it comes up on withdrawal (10) Pathetic or gigantic dog in here? (5) 8 Dog does finish! (6)

8 Dog does finish! (6)
9 Annoyed with ordeal (5)
14 Unusual flour bin gets Russian approval for roses (10)
17 Underground movement? (9)
18 Bearing support of a gun (3)
19 Many a boy follows metal warship (3)
22 These days neat arrangements attached to another organ (6)

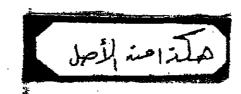
ments atta organ (6) 23 Scrutinise room (5)

25 It's for sale - American plant (5) 27 Gaze at part of lide gleam-ing in the sun (4)

Solution to Puzzle No.6,934

BCHOOL DEMOTION
TAS RYOO O
RANGES INTEREST
ES R REE RAH
TWODOZEN STELLA
CMNN Y S OCLUM
HOCK GETTINGOFF
GOSIDESERT LEAP
GOSIDESERT LEAP
GOSIDESERT LEAP
GOSIDESERT LEAP
CHOOL GETTINGOFF
RESIDES
LINGUISE RESIDE
E N O SO ON

Party of the second of the



| WORLD STOCK MARKETS | | | | | | | | |
|---|-------------------------------|--|-------------------|--|---|--|---|---|
| AUSTRIA May 12 Sch + er - | - House tendencin | GERMANY (continued) . | IJALY (continued) | SWEDEN | | CAN | ADA | |
| AUSTRUA Bigy 12 Seb + 6t - 6t - Credit settal 2770 26 General 4400 115,000 450 Forting 115,000 450 450 Forting 115,000 | FRANCE Constitution | Sept. Sept | IRAY 15 | SWEDEN Size 12 Ala Birred 125 -5 -5 Ala A Birred 1595 -5 -5 Ala A Birred 1595 -5 Ala A Birred 1595 -5 Ala A Birred 1595 -1 Ala A Birred 159 | Sales Stock High Lote Close Charge TOR ONTO | Sales Stock Figh Low Close Chang ST/Tes County Gas Stock Stock | All Mining (1/1/80) 699.6 684.7 AUSTRIA Cedit Aitlies (30/12/84) (c) 320.48 BELGIUM Brusse's SE (1/1/80) (c) 6005.80 5 DEN MARK Copenhagen SE (5/1/83) (c) 309.55 3 FINLAND Unitas General (31/12/83) (c) 460.9 Ind. Testance(30/12/88) (c) 199.6 GERMANY FAZ Aitlies (31/12/83) (c) 1644.7 1 DAX (30/12/87) (c) 1646.7 1 DAX (30/12/87) (c) 1347.84 13 HONG KONG Hang Seng Bank (31/7/64) 3309.64 3278.43 33 ITALY Banca Com. Nai. (1972) 602.50 603.40 6 JAPAN Ribles (36/5/97) 33716.29 33866.33 34 Talyo SE (Toph) (4/1/68) 2505.69 2518.64 2 METHERLANDS CBS Tri Run. Ges. Tend 1983) (c) 229.2 RETHERLANDS CBS Tri Run. Ges. Tend 1983) (c) 229.2 RETHERLANDS CBS Tri Run. Ges. Tend 1983) (c) 2505.69 SINGAPORE Strates Times lend. (30/12/66) 1295.40 1285.07 12 SOUTH AFRICA JSE Gold (28/9/78) 2500.04 2522.0 3 SPAIN Madrid SE (30/12/85) (c) 655.75 65 SINGAPORE Strates Times lend. (30/12/66) 1295.40 1285.07 12 SOUTH AFRICA JSE Gold (28/9/78) 2500.04 2522.0 3 SPAIN Madrid SE (30/12/85) (c) 655.75 65 SINGAPORE Strates Times lend. (30/12/66) 1295.40 1285.07 12 SOUTH AFRICA JSE Gold (28/9/78) 2500.04 2522.0 3 SPAIN Madrid SE (30/12/85) (c) 675.9 (c) | 900 Un Carbiel 227 |
| Bail Hippon Per 2,240 50 | Surein Chemical 1,200 -30 | | Topo Kanetss | | Traded Prices on day Milssubjah Kasel Sato Kogyo | hand delives centres of DUSSELDORF, N. FRANKFURT, ST, ESCHBORN, NZ, WIESBADEN, IGSHAFEN, HEN, NBERG or in the in the edge over your mes personally hand at no extra charge and and alert to all the | BRUSSELS with Lufthansa, TWA, Sabena, Finnair FINANCIA 12 ISSUES FRE When you take out you the FT, we'll send you I for yourself why Freder magazine's senior finand describes us as "the pap coverage of internation. Frankfurt 01 and ask for Karl Capp for the send of | Pan-Am, British Airways, ALTIMES Trifirst subscription to 2 issues free. Then see ick Ungeheuer, Time cial correspondent, ber with the best al finance." 30-5351 (toll free) |

12 ISSUES FREE



3pm prices May 15

Chique Prev. Quote Ciose 25 - 1, 267; - 1, 267; - 1, 277; - 1, 277; - 1, 2

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Morth
High Low Stock (
9% 87 GNSIs (
6% 37 GNSIs (
23% 19% GNDIs
15% 10% GNDIs
15% 10% GNDIs
25% 37% GNWs 7.
10% 4% GNSIs 7.
10% 4% GNSIs pN
33% 27% GSU pN
33% 27% GSU pN

Chiga Chose Prev. Cuote Ciose Prev. Cuote Ciose 9 ls - 1s 51s - 1s 13 ls - 1s

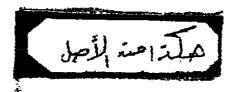
12 Month | Prof. | Pro

| 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5

| Company | Comp

| The column | The

[علدًا عنه لأصل



12 62 23-4 23-4 - 5-8--12 6 27 28-7 74 1 164; 163-1 10 12 103-1 103-2 12 252 8 7-4 3 2 31-2 7 196 53-5 22 7 7 6 22 84, 84,

NYSE COMPOSITE PRICES

AMEX COMPOSITE

| Section | Sect Brigg 1,90e Scholly 57
Estator 57
Estator 59
Estator 59
Estator 59
Estator 59
Estator 59
Estator 59
Estator 50
Estator 50 Methali Media Medi

> Travelling by air on business with Iberia? Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from . . . Madrid and Barcelona. **FINANCIAL TIMES**

FT hand delivery service in Iceland

Gain the edge over your competitors and get your daily business briefing from the Financial Times, Europe's leading business newspaper, every day.

Your subscription copy of the Financial Times will be delivered free of charge if you work in the business centres of REYKJAVIK, KOPAVOGUR, HAFNARFJOROUR or AKUREYRI

Reykjavik (91) 621029

And ask Einar Gudjonsson for details.

FINANCIAL TIMES

FT hand delivered in Belgium At the start of every working day at no extra charge in Belgium, if you live or work in the following postal districts: BRUSSELS— 1000, 1010, 1020, 1030, 1040, 1041, 1048, 1049, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200, 1210, 1410, 1420, 1620, 1640, 1800, 1900, 1920, 1930, 1931, 1940, 1950, 1960, 1970, 1980, 1981, 1990. ANTWERP — 2000, 2008, 2018, 2020, 2030, 2040, 2050, 2060, 2070, 2080, 2100, 2110, 2120, 2130, 2180, 2200, 2230, 2232, 2600, 2610, 2710. GENT — 9000, 9110, 9820, 9831. LIEGE — 4000, 4020, 4200, 4400. LEUVEN ---3000, 3030, 3072. KORTRUK — 8500, 8550. BRUGGE ----8000. **Brussels (02) 513 2816**

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

OVER-THE-COUNTER | Peter | Pete 22½ - ½ 8½ - ⅓ 27¾ - ½ 12¾ - ½ 41½ 13½ + ⅓ 11¼ 64 1-16+ ⅓ 61 +1 NexTres 1.24
NesSep 1.40
NexTres 1.24
NesSep 1.40
NexTres 1.24
NesSep 1.40
Nextres 1.50
Nextres 1.50
Nextres 1.60
Nextres

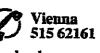
1834 + 124 + 618 - 164 - 1654 + 1654

18 11 % 5 17 % 16 % 13 % 9 %

Have your F.T. hand delivered . . at no extra

charge, if you work in the business centre of

VIENNA



And ask Peter Grün 🛫 of Morawa & Co for details or call Frankfurt (069) 7598-101

FINANCIAL TIMES

Index arbitrage fuels Dow surge to further peak

Wall Street

IN SPITE of a measure of caution in the bond market, equi-ties continued to ride the new wave of optimism created by Friday's news of a smaller than expected increase in producer prices in April, writes Janet Bush in New York.

The Dow Jones Industrial Average closed 24.19 points higher at 2,463.89, another post-crash high. Dealers reported that the early burst of buying was encouraged by stock index arbitrage as insti-tutions sold Standard and Poor's 500 futures contracts, which were trading at sharp premiums to the cash index, and bought blue chips in the cash market. However, the

market managed to gain steadily throughout.
Secondary stock indices were also higher but not by the same margin as the blue chip Dow index. On the NASDAQ over-the-counter market, the NASDAQ Composite Index added 1.39 points to 436.22. Volume on the New York

Stock Exchange was active with 180m shares changing hands by mid-session. The enthusiasm in the mar-

ket since Friday is based on hopes that the US Federal Reserve may start easing mon-

etary policy.

The rise of only 0.4 per cent in the Producer Prices Index reported on Friday encouraged the view that a soft landing is in store for the economy. The economy is slowing but not at a rate which has provoked fear of recession. Friday's PPI encouraged a belief that inflation too is in check. The Federal Open Market Committee, which sets monetary policy,

meets today There is still considerable doubt either that growth is slowing substantially enough or that inflation is enough under control for the Fed to ease at this stage.

Yesterday's economic figures confirmed that the economy is on a slowing trend but that there is still significant steam left. Industrial production rose by 0.4 per cent in April from

being unchanged in March and down 0.3 per cent in February. The 0.4 per cent rise last month was slightly more than had been expected but Febru-ary's figure had originally been

unchanged.
Capacity utilisation followed the same pattern of more weakness in the first quarter than had been reported and a rebound in April. The index

Apr 1989 May

rose 0.2 per cent in April to 83.9

per cent but the rate in both February and March was

The key to whether the cur-

rent surge in equity prices can be sustained will likely be Thursday's April consumer prices release which is forecast

to have risen by a fairly sub-

stantial 0.5 per cent to 0.6 per cent. Also released this week

are figures for the March trade

balance tomorrow.

Blue chips led the way up

yesterday. International Business Machines rose \$2 to \$1124, Procter & Gamble was

up \$% to \$99 and General Motors added \$% to \$40%.

Among featured individual

stocks was Hewlett-Packard

which plunged \$3% to \$53%

after the company said that its

second quarter earnings would

Cray Research jumped \$21/4

to \$55 % amid speculation that its board of directors, which

met yesterday, was considering

\$53 4 in over-the-counter trad-

ing amid reports that an agree-

Ogilvy Group rose \$1/4 to

a restructuring.

be below analysts' forecasts.

revised downwards.

Dow Jones Industrial Average

Canada STOCKS continued to post gains, but analysts said the market in Canada was more uncertain than in the U.S. The market is waiting for the province of Ontario's budget on Wednesday.

The Toronto composite index rose 22.5 to 3661.20. But losers outran gainers 344 to 335 on volume of 24.6m shares,down from Friday's 32.6m shares. Trading value was C\$321.8m, compared with C\$454.8m. Montreal's market portfolio

ment was near in which WPP

of Britain would buy the com-pany for \$54 to \$55 a share.

the OTC market after it accepted an \$8 a share take-

over offer from a group includ-

ing its president and Black-stone Capital Partners.

Goodyear Tire & Rubber added \$% to \$54% on rumours that Pirelli of Italy and Mr Har-

old Simmons are interested in

buying the company.

Edgcomb added \$1 to \$7% on

index closed higher, climbing 19.03 to 1881.25. Advances led. declines 167 to 130 and volume increased to 4.2m shares, from 5.87m shares on Friday. International Thomson was

the most active stock of the day and closed up C\$% to C\$17%. The company told Dow Jones there was no corporate news to explain today's activity. In March, International Thomson said it was merging with Thomson Newspapers to form Thomson Corp.

SOUTH AFRICA

SHARP falls in gold shares, prompted by a drop in the bul-lion price on the dollar's con-tinued strength, led an overall decline in nervous selling in

Heavyweight gold share Vaal Reefs lost R16 to R302, Deelkraal was down 50 cents at R11.25 and Freegold R1.50 to R29.75.

In mining financial issue Anglo American was down R1.75 at R79.75 and Amgold

Rejuvenated US extends lead over Japan

By Jacqueline Moore

ATCHES of economic numbers brought joy to the US and jitters to West Germany last week. While Wall Street surged 2

per cent compared with the previous week in local currency terms, Frankfurt fell by about the same amount, according to the FT-Actuaries World Indices.

On Wednesday New York broke the spell of eight consecutive losing sessions, with the Dow Jones Industrial Average edging 3 points higher. A firm bond market and a smaller-than-expected rise in April than-expected rise in April retail sales figures provided further encouragement on Thursday, before Friday's pro-ducer prices index generated a 56-point surge to a post-crash peak on the Dow.

The US has extended its lead in performance terms over one its principal rivals, Japan, although it still lags the UK. It has risen 12.9 per cent since the start of the year, compared with improvements of 6.5 per cent for Japan and 18.4 per

EUROPE Milan focuses on Montedison

MOST European bourses were closed for the Whitsun holiday yesterday, and those that did trade – Milan and Helsinki – had quiet sessions, writes Our

MILAN focused on Montedi-son after the Government approved tax plans for the new chemicals joint venture Enimont, but share prices closed lower overall. The Comit index eased 0.9 to 602.5 in volume estimated at L130bn. Shares continued to fall after hours.

Montedison jumped by 1.2 r cent at the early fixing up L26 at L2,148 - but closed at L2,140. It received approval to defer capital gains tax on

companies forming Enimont. The May account closes today, after yesterday's April account settlement, delayed by the insolvency of a small Mila-

HELSINKI closed higher, with the Unitas all-share index rising 1.6 to 797.4.

cent for the UK.

The best showing of the another rates rise. week, however, was made by Australia, which has been lag-ging much of the rest of the world so far this year. It has risen only 3.6 cent in 1989 so far, compared with surges of more than 20 per cent in its fellow Asian Pacific markets, Street, interest rates and

Hong Kong and Singapore.
Strong industrial issues
helped Australia pick up 2.3
per cent last week and the All Ordinaries index reached its highest level in three months on Friday.

Europe had a more tentative week, with the Continent's index easing 0.3 per cent — its first loss for several weeks. The main depressant was West Germany, which dropped 2 per cent, after the high dollar and worse-than-expected wholesale price data on Thursday sent the market lower.

The dollar advanced beyond the DM1.90 level against the D-Mark at the beginning of the ek, which resurrected fears of higher interest rates. Investors noted that the Bundesbank is scheduled to meet on Thursday this week, and started to worry that that

would be the occasion for Switzerland was another market dominated by the pessi-mists. It was the third worst performer, after Mexico, preoc-cupied with worries about Wall

Not all the European bourses were feeling fretful, however, with Spain and Denmark two of the world's leading markets last week. Spain's prosperous period continued in an exciting week for the bolsa. It began by hitting two further year highs and was enlivened later by the first quotation of Repsol, the newly-privatised oil group. Japan improved slightly on

the previous week's good per-formance. It began the week in sparkling fashion, with the Nikkel shooting past the 34,000 barrier on Monday. After that, however, profit taking and nervousness about interest rates

trimmed gains.
The world as a whole rose 0.71 per cent, taking its improvement this year to 9.8

The best performer this year is still Norway, with a rise of 40.05 per cent.

| | ~ ~ d | enge in lo | cal currenc | y t | % change in sterling t |
|--|---------------|-------------|---------------|------------------|---------------------------|
| · · · | | 4 Weeks | 1 Year | Start of 1989 | Start of 1989 |
| | ÷0.72 | + 1.87 | +54.68 | +37.70 | ÷40.37 |
| Austria | +0.72 | + 1.47 | + 19.58 | +5.76 | +7.25 |
| Belgium | + 1.38 | +4.92 | +71.89 | +25.40 | +25.67 |
| Denmark | - 0.50 | -3.05 | + 23.99 | +17.06 | + 25.00. |
| -iniand | +0.24 | +0.05 | +51.70 | +9.76 | +11.68 |
| rance | - 2.01 | -2.98 | + 30.19 | +2.65 | +3.45 |
| Nest Germany | -0.68 | +0.32 | + 35.00 | + 18.92 | + 20.32 |
| reland | - 1.12 | +0.32 | +21.82 | -0.74 | + 1.09 |
| taly | -0.93 | -0.35 | +28.12 | + 12.06 | +13.09 |
| Vetherlands | -1.16 | -2.50 | +78.45 | + 48.05 | + 44.99 |
| lorway | + 1.37 | +2.08 | | ÷ 8.50 | + 12.15 |
| Spain | +0.36 | +2.78 | +43.74 | + 14.97 | + 18.19 |
| weden | - 1.41 | -2.54 | + 16.43 | +5.12 | + 0.25 |
| witzerland | +0.09 | +3.67 | + 19.77 | + 18.35 | + 18.35 |
| UROPE | -0.30 | +1.10 | +25.34 | +11.92 | + 12.48 |
| UNUTE | | | | | +4.94 |
| Australia | +2.28 | +9.88 | + 12.81 | +3.59 | +35.85 |
| long Kong | +0.70 | +5.11 | +37.67 | +24.13 | +6.82 |
| арап | +0,23 | + 1.83 | + 17.92 | +6.54 | + 5.62 + 38.13 |
| Aalaysia | -0.34 | +2.55 | +45.42 | + 25.92 | |
| lew Zealand | - 0.39 | +4.79 | +3.12 | +7.88 | + 15.72 + 37.08 |
| Singapore | -0.44 | + 1.04 | +36.75 | +26.28 | T37.00 |
| · | +0.65 | +1.24 | + 10.49 | +8.15 | + 18.53 |
| anada | +2.00 | +4.05 | +22.28 | + 12.90 | +23.06 |
| ISA | -1.78 | +4.40 | +42.97 | + 17.83 | +20.17 |
| /extco | - 1.70 | | | | |
| South Airica | - 1.14 | - 0.93 | +.58.24 | +27.17 | +28.24 |
| VORLD INDEX | +0.71 | +2.47 | + 20.96 | +9.80 | +13.35 |
| Based on 12th May 1989 opyright, The Financial Tr | mes Limited | Goldman, Si | echs & Co., s | and County No | tWest Securities |

MARKETS IN PERSPECTIVE

Nikkei falls in year's lowest volume

Tokyo

THE COMBINATION of lingering political uncertainty and a sinking yen kept investors wary and share prices dropped on the lowest volume of the year, writes Michiyo Nakamoto

in Tokyo.

The Nikkei average fell sharply in early trading, losing over 250 points by the morning close. Prices regained some losses in later trading, but the Nikkel average finished down 150.04 at 33,716.29. The day's high was 33,364.18 while the low was 33,612.24.

Turnover sank to the year's low of 421.6m shares against 720.6m on Friday. The Topix index of all listed shares fell 12.95 to 2,505.69 and later in London, the ISE/Nikkei 50 index closed 0.7 down at

The refusal by Mr Masayoshi ito, the senior parliamentarian most favoured to succeed Prime Minister Takeshita, to accept the premiership cast a

cloud over Japan's political future. Investors who had shown a strong bullish reac-tion when Prime Minister Tak-eshita announced his intention to resign, on expectations that political worries had cleared until the summer elections for the Lower House, were taken aback. Now Mr Ito has made his non-acceptance clear, and with few other strong candidates, investors feared that political uncertainty could continue for some time.

The yen, which has been falling against the dollar for some time, dropped to a low for the day of Y136.95, its lowest for the past 18 months. The yen's weakness has given rise to fears that the possible increase in Japan's official discount rate could be higher than previously expected.

Most investors preferred cau-tion, and this led to the extremely low volume. Consequently, the Nikkel's fall stemmed largely from a lack of buying rather than from much selling, said Mr Mitsuru Maekers et Justing Floring kawa at Jardine Fleming.

There was some buying from short-term funds looking for quick profits. These tended to select special situation issues with relatively small capitalis-ation. The high prices of most issues also turned investors' interest to low-priced laggards. Small shipping companies were widely selected because their low prices and their sus-ceptibility to wild price fluctu-ations made them attractive in a featureless market. Inui Steamship rose Y100 to Y1,200. Daiichi Chuo Kisen gained Y70 to Y1,100 while Kyoei Tanker

increased Y56 to Y920. Mitsubishi Kasel, the chemi-cal group, topped the actives list with 18.9m shares.

A lack of interest in Osaka saw the OSE average drop 166.44 to 32,795.56. Volume fell to 34.57m shares against 58.14m on Priday.

Boundup.

THE WEEK began strongly for Asia Pacific markets, with the 56-point rise in the Dow Jones Industrial Average on Friday point, adding 5 cents to S\$2 fueling gains across the board. in the day's busiest trading.

AUSTRALIA put in its best day for more than a year, buoyed by Wall Street's strength, climbing by 28.7 to 1,565.8 on the All Ordinaries index. It has not risen so much in one day since April 11 last year, when it rose 29.2 points. Bond Corp continued its recovery, rising 17 cents to A\$1.28 Barlile Corp picked up 5 cents to A\$1.50 after selling

its 20 per cent stake in Atlas Steels, up I cent at A\$1.24. HONG KONG rose to another post-crash high in spite of giving up some of its early gains on concern over student unrest during the visit to Beiling by Soviet leader Mik-hail Gorbachev. The Hang

3,309.64 and turnover rose to HK\$1.52bn from HK\$1.43bn. SINGAPORE was cheered by Wall Street's rally on Friday and also reached a post-crash high, with the Straits Times industrial index up 10.33 at 1,295.40. Property stocks were again in demand with Centrepoint, adding 5 cents to S\$2.43

Seng index rose 31.21 to

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

| national and Regional Markets _ | | M | ONDAY MA | Y 15 1989 | | | FRID/ | Y MAY 12 1 | 989 | DOI | LLĄR INDE | × . |
|---|-----------------------|-----------------|----------------------------|----------------------------|-------------------------------------|------------------------|-----------------------|----------------------------|----------------------------|--------------|-------------|------------------------|
| Figures in parentheses show number of stocks per grouping | US Dollar Index | Day's Change | Pound Sterling Index | Local Currency Index | Day's change % local currency | Gross Div. Yleid | US Dollar Index | Pound Sterling Index | Local Currency Index | 1989 High | 1989 Low | Year ago (appro: |
| Australia (89) | 139.55 | ÷ 0.3 | 126.19 | 119.27 | +23 | 4.67 | 139.10 | 124.27 | 116.62 | 157.12 | 128.28 | 122.2 |
| Austria (19) | 121.03 | -2.0 | 109.45 | 122.04 | + 0.0 | 2.11 | 123.54 | 110.37 | 122.04 | 124,16 | 92.84 | 90.0 |
| 3elgium (63) | 130.80 | - 1.6 | 118,28 | 131.61 | + 0.0 | 4.13 | 132.92 | 118.75 | 131.61 | 137.10 | 128.52 | 124.9 |
| Canada (126) | 137.08 | +0.4 | 123.96 | 118.17 | + 0.7 | 3.33 | 136.51 | 121.96 | 117.34 | 137.27 | 124.67 | 118.9 |
| Denmark (38) | 178.27 | - 1.3 | 161,21 | 183.30 | + 0.0 | 1.83 | 180.60 | 161.35 | 183,30 | 181.03 | 165.35 | 121.7 |
| inland (26) | 150.33 | +0.2 | 135.94 | 134.05 | +0.2 | 1.56 | 150.08 | 134.08 | 133.83 | 159.16 | 125.81 | 128.9 |
| rance (130) | 116.55 | - 1.1 | 105.40 | 119.98 | +0.0 | 3.13 | 117.86 | 105.29 | 119.98 | 122.79 | 112.57 | 87.8 |
| Nest Germany (100) | 82.48 | - 1.2 | 74.58 | 83.27 | +0.0 | 2.41 | 83.47 | 74.57 | 83.27 | 90.40 | 81.77 | 75.4 |
| long Kong (49) | 140.33 | +0.7 | 126.90 | 140.08 | +0.7 | 3.85 | 139.34 | 124.48 | 139.11 | 140.33 | 111.80 | 100.9 |
| reland (17) | 143.72 | - 1.2 | 129.96 | 147.07 | + 0.2 | 2.86 | 145.46 | 129.95 | 146.77 | 151.36 | 125.00 | 123.1 |
| taly (98) | 78.14 | - 1.0 | 70.66 | 82.35 | -0.1 | 2.59 | 78.94 | 70.53 | 82.42 | 86.88 | 78.14 | 72.0 |
| apan (455) | 184.87 | - 1.5 | 167.18 | 160.33 | -0.5 | 0.47 | 187.66 | 167.66 | 161.21 | 200.11 | 180.30 | 174.4 |
| Aalaysia (36) | 183.44 | +0.9 | 165.88 | 190.40 | + 1.0 | 2.50 | 181.84 | 162.45 | 188.52 | 183.44 | 143.35 | 131.2 |
| | | | 165.74 | 490.86 | +2.9 | 1.03 | 178.40 | 159.38 | 476.91 | 183.28 | 153.32 | 134.8 |
| Mexico (13) | 183.28 | +2.7 | | | | | | | | | | |
| letherland (42) | 115.34 | - 1.1 | 104.30 | 115.15 | +0.0 | 4.48 | 116.62 | 104.18 | 115.15 | 122.22 | 110.63 | 104.7 |
| lew Zealand (24) | 71,12 | 0.9 | 64.32 | 62.00 | +0.9 | 5.90 | 71.78 | 64.11 | 61.47 | 76.02 | 66.84 | 77.4 |
| lorway (26) | 182.22 | - 1.4 | 164.78 | 173.38 | +0.0 | 1.54 | 184.79 | 165.09 | 173.38 | 198.39 | 139.92 | 118. |
| ingapore (26) | 158.64 | +0.8 | 143.46 | 143.36 | + 1.3 | 1.89 | 157.32 | 140.55 | 141.52 | 158.64 | 124.57 | 1121 |
| outh Africa (60) | 137.43 | +0.0 | 124.28 | 122.88 | - 1.6 | 4.22 | 137.45 | 122.80 | 124.93 | 144.86 | 115.35 | 125.0 |
| pain (43) | 150.82 | - 1.2 | 136.39 | 138.20 | +0.0 | 3.62 | 152.65 | 136.38 | 138.20 | 156.17 | 143.14 | 149.0 |
| Sweden (35) | 155.41 | - 0.9 | 140.53 | 150.75 | +0.0 | 2.28 | 156.78 | 140.07 | 150.75 | 162.00 | 138.45 | 121.7 |
| Switzerland (57) | 70.93 | - 1.2 | 64.14 | 76.45 | +0.0 | 2.43 | 71.80 | 64.15 | 76.45 | 79.76 | 70.93 | 76.7 |
| Inited Kingdom (315) | 146.08 | -0.6 | 132.10 | 132.10 | + 0.7 | 4.30 | 146.91 | 131.25 | 131.25 | 153.33 | 134.53 | 139.2 |
| JSA (559) | 128.73 | +0.7 | 116.41 | 128.73 | + 0.7 | 3.52 | 127.78 | 114.15 | 127.78 | 128.73 | 112.13 | 105.2 |
| urope (1009) | 117,18 | -0.9 | 105.96 | 112.75 | +0.3 | 3.58 | 118.23 | 105.63 | 112.43 | 121.70 | 114,02 | 107.7 |
| lordic (125) | 152.46 | — 1.0 | 137.87 | 144.68 | +0.0 | 1.97 | 153.94 | 137.53 | 144.65 | 155.61 | 137,95 | 113.1 |
| acific Basin (679) | 181.03 | - 1.4 | 163.71 | 157.44 | -0.4 | 0.69 | 183.56 | 163.99 | 158.12 | 194.72 | 176.37 | 169.5 |
| uro – Pacific (1688) | 155.51 | - 1.2 | 140.62 | 139.63 | - 0.2 | 1.58 | 157.44 | 140.66 | 139.92 | 164.22 | 152.83 | 144.8 |
| lorth America (685) | 129.14 | + 0.7 | 116.78 | 128.08 | +0.7 | 3.50 | 128.21 | 114.54 | 127.13 | 129,14 | 112.79 | 105.9 |
| urope Ex. UK (694) | 99.31 | ~ 1.2 | 89.80 | 100.77 | +0.0 | 2.99 | 100.47 | 89.76 | 100.77 | 105.29 | 98.84 | 88.2 |
| acific Ex. Japan (224) | 134.84 | +0.4 | 121.93 | 120.99 | + 1.5 | 4.19 | 134.24 | 119.93 | 119.16 | 137.65 | 123.48 | 110.0 |
| Vorld Ex. US (1887) | 154.70 | - 1.2 | 139.90 | 138.89 | -0.2 | 1.66 | 156.53 | 139.84 | 139.15 | 162.77 | 152.04 | 143.7 |
| Vorid Ex. UK (2131) | 144.22 | - 0.6 | 130.42 | 135.75 | + 0.1 | 2.05 | 145.03 | 129.57 | 135.68 | 146.04 | 138.06 | 127.8 |
| Vorld Ex. So. Al. (2386) | 144.42 | ~ 0.6 | 130.59 | 135.48 | + 0.1 | 2.24 | 145.23 | 129.75 | 135.32 | 146.65 | 138.82 | 128.8 |
| Vorld Ex. Japan (1991) | 125.08 | +0.1 | 113.11 | 122.56 | +0.6 | 3.57 | 124.90 | 111.59 | 121.83 | 125.08 | 114.51 | 106.9 |
| he World Index (2446) | 144.37 | -0.6 | 130.55 | 135.39 | +0.1 | 2.25 | 145.18 | 129.70 | 135.25 | 146.51 | 138.83 | 128.8 |



International

invites interested decision-makers to participate in a special conference in Paris on may 23rd concerning

NEW CHALLENGES FACING TOP MANAGEMENT IN THE 90'S

CHOOSING THE MOST EFFECTIVE ORGANIZATION FOR LARGE COMPANIES

Participants will look at how large companies can best benefit from synergies of size while remaining innovative and flexible in their response to competitive and environmental challenges.

The solutions proposed will represent a synthesis of the experiences of major international firms. Included will be an analysis of the successful results obtained through a more open organizational structure and better utilization of company strengths in order to face major market evolutions.

> The conference will also take place in the following cities in 1989: Barcelona - Brussells - Geneva - Frankfort - New York

For information, please contact: Fabienne DUPONT — SOLVING International — (33-1) 42.25.98.15. 2, avenue de Messine - 75008 Paris.



UCB in 1988

1988 was a year in which UCB strengthened its leadership in pharmaceuticals, intermediate and speciality chemicals and flexible packaging films.

Consolidated Group turnover of BF 34,908 million showed an increase of 7% over the previous year. Profit increased from BF 1,348 million to BF 1,412 million, and cash flow from BF 2,806 million to BF 3,478 million. Investments and research expenditure amounted to BF 4,783 million.

Numbers employed by the Group throughout the world were 7,602, an increase of 174 compared with 1987. In Belgium, UCB has taken on 1,500 young people during the last five years.



on request from UCB Public Relation

SECTION III FINANCIAL TIMES



Austria's coalition Government has weathered the damaging Waldheim affair, presided over

a period of economic expansion and overhauled the unwieldy state industrial sector. Attention is now focused on Vienna's bid to join the EC. writes Robert Mauthner

as usual

IT IS very much "husiness as usual" in Austria after the political and economic hiccups of last year, when the country used the 50th anniversary of its 1938 Anschluss with Germany to indulge in some painful analysis of its recent past. The Austrian economy, widely considered at the beginning of 1988 to be on the verge of stagnation, has undergone yet another "miracle" by growing by more than 4 per cent without a dangerous increase in inflation. And President Kurt Waldheim, again against all expectations, is still Head of of international allegations about his war-time activities in Greece as an officer in the

Thomas Bernhard, the well-known Austrian playwright, may continue to fulmit nate in his play "Heldenplatz," currently on at the Burgthese ter in Vienna, against his country's failings and weakne - not least the persistence of anti-semitism - but the general tendency is to let sleeping dogs lie. The hope expressed by Dr Franz Vranitzky, the Austrian Chancellor, is that the population's few months on the psychiatrist's bench last year have at least benefitted the younger generation.

2.00

Meanwhile, the flavour of the year in 1989 is something quite different: Austria's imminent application for full membership of the European Com-munity, which is expected to be made in July or August after pudiamentary approval. There is a tendency for some enthusiasts, gripped by the current wave of Euromania, to look upon Austrian entry into the Community – if it materialises - as the answer to all the country's fundamental It is almost as if by joining the main group of Western

country like Ireland can join the Community, so can Aus-tria, the Chancellor himself is well aware that things are not as simple as that in practice. If the EC is really determined to make an issue of its ultimate political and military spirations, Austria would find it difficult, if not impossible, to

If the EC is determined to make an issue of its ultimate aspirations, Austria would find it difficult to fulfil the conditions of membership

European nations, Austria would recapture some of the status and self-respect which it lost when the dissolution of the Hapsburg Empire after the First World War turned the country into a German-speak-

Those political leaders in close contact with the European Commission in Brussels and EC Government colleagues, realise that the prob-lem of Austria's traditional bership, even though they are not spelt out in the Community's basic treaties.

quent argument to be heard in

Vienna is that, if a neutral

fulfil the conditions of mem-

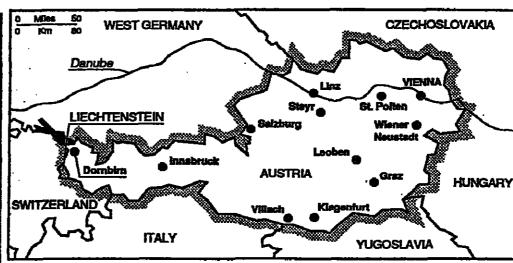
What is certain is that flexibility in the matter, if it is shown at all, will have to come mainly from the Community's side, for Dr Vranitzky has made it clear that there is no question of any modification of Austria's neutral status. Such a change is, in any case, ruled out by the interest the Soviet



neutrality, an essential ingredi-ent of the settlement leading to Union - a signatory of the 1955 Austrian State Treaty - has shown in the maintenance its independence in 1955, could be a big obstacle to member of the country's neutrality. ship. Though the most fre-

Whatever eventually happens, Austria knows it is in for a long haul. The European Commission will take its time in formulating its recommendations on Austria's application to the member states. It can hardly be expected that any decision on even the opening of negotiations will be taken before the completion of the EC's internal market at the end of 1992. Even if such a decision is positive, it would take several more years to negotiate a membership agree-ment and still longer before Austria could hope to enter the

In the meantime, the present Austrian Government and business community have gone out of their way to prepare the country both mentally and practically for such a momentous step. That has meant, in the first place, creating a genuinely competitive climate and changing ingrained ideas dat-ing back to the Hapsburg Empire, but surviving until the present day, about political patronage and the role of the state as the ultimate provider and protector.



The imposing cathedral at Dom Platz, Saizburg

AUSTRIA

One of the great contradic-tions of Austria's history over the past 20 years or so is that its impressive economic record of higher growth, lower infla-tion and less unemployment than most other Western countries, has been achieved with such outdated and unwieldy state industrial structures and in such an archaic atmosphere of political corruption and

No doubt the absence of an effective political opposition in the inter-war years and the immediate post-independence period, when the country was ruled, as today, by a grand coalition of the Socialist (SPOe) and conservative (OeVP) parties, encouraged undemocratic practices. But the fact is that the "Proporz" system, under which the best lohs in state organisations are divided up on the basis of political affiliation, rather than

Economic growth has been achieved with outdated state industrial structures and in an archaic atmosphere of corruption and scandals

ability, and a party card is a of political change that the sperequired instrument for finding cial brand of Austrian consena flat or skipping a hospital queue, has persisted until the present day. If the system is less widespread than it was, it wili nevertheless take many years before it disappears alto-

Another facet of what might be described as the "old politics" are the number of serious scandals involving government ministers, which have affected

mainly the ruling Socialist Party.

The long-running Lucona affair has already led to the resignation of the Socialist Interior Minister, Mr Karl Blecha, and the Socialist president of the National Assembly. Mr Leopold Gratz, following allegations of a massive insurance fraud surrounding the sinking in the Indian Ocean in 1977 of a freighter reported to be transporting uranium processing equipment. The Socialist Party may again be embarrassed this autumn, when the case of the illegal arms sales to Iran by Noricum, the weapons division of the state-controlled steel group Voest-Alpine, finally comes to court.

These, and other scandals involving leading politicians, have helped to discredit the traditional parties, particularly in the eyes of a younger generation already bored by the lack

cial brand of Austrian consensus politics has produced. It goes a long way to explain the growing popularity of Mr Jörg Haider, the youthful leader of the small right-wing Freedom Party (FPOe), who has begun to make serious inroads in the two main parties' strongholds in the provincial assemblies. This is particularly true for Carinthia, where Mr Haider was last week chosen as pro-

vincial governor, thanks to the support of the local conserva-tives, anxious to teach a lesson to their Socialist coalition part-

ners at national level. Mr Haider's populist style undoubtedly attracts nostalgic nationalists, who evoke nasty memories of the 1930s and the war years. But his strength is that he also manages to convey convincingly a desire to reform the political system and its cor-rupt practices, which gives him a much wider appeal. Since his party holds the balance in parliament, the day may well come when the CeVP throws caution to the winds and agrees to form a new rightwing coalition with Mr Haider, though that seems unlikely in the immediate future.

It is on the economic front that the coalition has shown most dynamism, spurred on by the need to impress its putative partners in the European Community. The restructuring of the nationalised industry holding group, OeIAG, including partial privatisation, is nearly complete. Balance sheet losses, which reached a peak of Sch 12bn in 1986, were reduced to only Sch 3bn last year and the organisation is expected to make a profit by the end of 1989, only three years after the reorganisation plan was intro-

The medium-term budget strategy, the objective of which is to reduce the federal deficit from about 5 per cent of gross domestic product to 2.5 per cent in 1992, is progressing according to schedule. In addition, an impressive income and

CONTENTS

sconomy I**nterview:** Dr Franz Vranitzky, Austrian Chancellor

State-run industrial sector Austria and Eastern Europe

Hellmuth Profile: President of the National Bank Vienna Bourse

KEY FACTS

Area: 83,855 sq km Population: 7.57m President: Dr Kurt Waldheim Head of Government: Chancellor Franz Vranitzky (Socialist) GDP per capita: \$16,868 Real GDP growth: 4.2% Inflation: 2% Currency: 100 Grosches = Sch 1 Average exchange rate: \$= Sch 12.35; £ = Sch 22.05 Current exchange rate (May 1989): \$=Sch 13.38; \$29.95bn Merchandise imports: \$35,65bn -Sch 6.4bn Foreign reserves (exc gold): \$6,465bn (March '89) Government debt/GDP ratio: 50% (1987) Leading export markets: West

Germany 36.19%; Italy 8.47%; Switzerland 7.47%; UK 4.90% Leading Import markets: West Germany 44.3%; Italy 8.86%; Switzerland 4.44% Industrial output growth: 6.5% Unemployment rate: 5.3%
F.II figures 1988 unless other-

Sources: IMF, OECD

age, the most comprehensive since 1945, was implemented at the beginning of this year. It is intended to produce a simpler, fairer and more transparent tax system by lowering mar-ginal tax rates, broadening the tax base and closing loopholes.

Whether or not Austria succeeds in its attempt to become a member of the European Community, its economy is now in a much better structural state than it was only a few years ago to face its competitors after the completion of the Single European Market in 1992. The prospect of Community membership has provided an unparalleled incentive and pretext - for government action in areas which it might ordinarily have left alone for purely political reasons.

You don't have to be abig bank to be a big help.

Creditanstalt may not be the biggest inters national bank. But try asking a few of our clients about the size of our contribution to their business success.

You could ask them whether the attention and personal service they get from a smaller bank is not more efficient than the bureaucracy that can be the product of an international giant.

Or you could prove the speed and originality of our solutions to complex financial problems; or the pre-eminence of our experience in trade finance with the Eastern European countries.

Whatever you ask, we think you will be impressed by the qualities that will be revealed - of initiative and imagination, tempered with traditional Austrian discretion.



Austria's leading bank.

Head office: Schottengasse 6, A-1010 Vienna. Tel. (0222) 53 1 31/11 51, Fax. 535 02 03. London office; 29 Gresham Street, London EC2V 7AH. Tel. (01) 822 2600. Fax. (01) 822 2663 or 2644. Further offices in Atlanta, Berlin(GDR), Budapest, Buenos Aires, Dubai, Hong Kong, Milan, Moscow, New York, Prague, San Francisco, Tokyo.

Confounding the sceptics

and the gloomy forecasts of at least one prominent interna-tional forecasting institute, the Austrian economy performed excellently over the past year and the outlook for 1989 and 1990 continues to be satisfac-

tory.
Indeed, with a rise of 4.2 in gross domestic product in 1988, after an eight year period during which the average annual growth rate barely exceeded 1.5 per cent, Austria out-per-formed all the main West Euroit did so with no real signs of

Inflation, measured by the consumer price index rose only slightly to 2 per cent last year, according to both the Austrian Institute of Economic Research (WIFO) and the OECD. While forecast to rise again in 1989 and 1990, it is expected to do so by one percentage point at the most to about 3 per cent, still a very acceptable rate compared with Austria's main competi-

At the same time, total employment has risen for the first time since 1979 at a slightly higher rate than the labour force, a trend expected to bring down the unemployment rate from 5.3 per cent last year to 4.9 per cent in 1989 and 1990.

It is hardly surprising that

such a relatively high growth rate and the vigorous domestic demand which accompanied it should have led to a deterioration of the current account, in spite of a highly satisfactory export performance and the improved international com-petitiveness of Austrian goods. Though the current account deficit rose by some Sch 3.5bn to Sch 6.4bn last year and is expected to increase again in 1989 to Sch 9bn, this is not yet a matter for great concern. WIFO has calculated that, in 1990, the deficit will still be equivalent to no more than three-quarters of 1 per cent of GDP. With expectations of a somewhat lower overall growth rate of 3 per cent this year and 2.5 per cent in 1990, the current account should not

. . ;

in the foreseeable future.

The buoyancy of the international economic situation undoubtedly made a substantial contribution to Austria's remarkably good performance in 1988. Austria was quick to benefit from the strong recovery-in world trade since the terms last year and continued their dynamic progress early

present too much of a problem

tedly particularly low level 12 months earlier.

In 1988, exports to the European Community expanded by 12.6 per cent, to the Eastern European bloc by 13.3 per cent, to the member states of the Organisation of Petroleum Exporting Countries by 14.4 per cent, and to the US by 10.8

It would be less than just, however, to ignore the important domestic factors behind the country's economic achievements last year. The much-discussed tax reform. which finally came into effect In January, appears to have played an important part in bringing forward investments and boosting business confidence, while the unusually mild weather early in the year stimulated building and the construction industry. Economists also believe that the surprising capacity of the Austrian financial markets to weather the storm of the October 1987 stock market crash was an essential element in sustaining an optimistic business climate.

Underlying all these factors is the relative success the twoyear-old coalition has had in implementing the economic reform strategy which is at the heart of the government pact concluded by the Socialists and the Austrian People's Party. In addition to the traditional components of Austria's unique economic and social manage-ment system - the social part-nership and the so-called "hard currency option" linking the Austrian schilling to the D-Mark – the strategy includes a medium-term fiscal policy to reduce the budget deficit and an ambitious industrial restructuring project.

Faced with projections that, if no radical steps were taken, the federal budget deficit would rise from 5 per cent to 9
per cent of GDP by 1992 and
that the debt/GDP ratio - 50
per cent in 1987 - would eventually mount to a steady level of 90 per cent, the Government fixed an objective of reducing the deficit progressively to 2.5 per cent of GDP by 1992.

Thanks to some drastic pub-lic belt-tightening, including limits to the growth of the public sector wage bill and to the filling of new vacancies in the civil service, the federal deficit was lowered to about 4.2 per cent of GDP last year, compared with 4.7 per cent in 1987. The target of 4 per cent for the probably be reached. However,

| 1988 1989 1980 forecast | - | Projections for 1988-89 (Volumes, 1976 prices; percentage changes) | | | | | | | |
|---|-------------------------------|---|-------|------|--|--|--|--|--|
| Government consumption Gross fixed investment Gross fixed investment Government Governm | | 1988 | 1989 | 1990 | | | | | |
| Government consumption 0.5 0.5 0.5 Gross fixed investment 5.2 3.5 3.0 Construction 4.5 2.0 2.25 Machinery and equipment 6.0 5.0 3.5 Final domestic demand 3.4 3.0 2.25 0 Stockbullding*● 1.3 0.25 0 Total domestic demand 4.5 3.0 2.25 Exports of goods and services 7.5 5.5 5.0 Imports of goods and services 8.8 6.0 5.0 Foreign balance* -0.7 -0.25 0 COP 4.0 2.75 2.25 Memorandum items: Private consumption deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | Private consumption | 3.5 | 3.5 | 2.5 | | | | | |
| Construction 4.5 2.0 2.25 Machinery and equipment 6.0 5.0 3.5 Final domestic demand 3.4 3.0 2.25 Stockbullding*● 1.3 0.25 0 Total domestic demand 4.5 3.0 2.25 Exports of goods and services 7.5 5.5 5.0 Imports of goods and services 8.8 6.0 5.0 Foreign balance* -0.7 -0.25 0 GOP 4.0 2.75 2.25 Memorandum items: Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | | 0.5 | 0.5 | 0.5 | | | | | |
| Machinery and equipment 6.0 5.0 3.5 Final domestic demand 3.4 3.0 2.25 Stockbullding*● 1.3 0.25 0 Total domestic demand 4.5 3.0 2.25 Exports of goods and services 7.5 5.5 5.0 Imports of goods and services 8.8 6.0 5.0 Foreign balance* -0.7 -0.25 0 GDP 4.0 2.75 2.25 Memorandum items: Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate* 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | | | 3.5 | | | | | | |
| Final domestic demand 3.4 3.0 2.25 Stockbullding*● 1.3 0.25 0 Total domestic demand 4.5 3.0 2.25 Exports of goods and services 8.8 6.0 5.0 Foreign balance* -0.7 -0.25 0 GOP -0.7 -0.25 0 Memorandum items: Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | | | | | | | | | |
| Stockbullding* | Machinery and equipment | 6.0 | 5.0 | 3.5 | | | | | |
| Stockbuilding* | Final domestic demand | 3.4 | 3.0 | 2.25 | | | | | |
| Exports of goods and services 7.5 5.5 5.0 Imports of goods and services 8.8 6.0 5.0 Foreign balance' -0.7 -0.25 0 GOP 4.0 2.75 2.25 Memorandum items: Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | Stockbullding* | 1.3 | 0.25 | 6 | | | | | |
| Imports of goods and services 8.8 6.0 5.0 | Total domestic demand | 4.5 | 3.0 | 2.25 | | | | | |
| Imports of goods and services 8.8 6.0 5.0 | Exports of goods and services | 7.5 | 5.5 | 5.0 | | | | | |
| GOP 4.0 2.75 2.25 Memorandum items: Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 Current belance: Schilling billion -2.0 -1.25 0.5 | | 8.8 | 6.0 | 5.0 | | | | | |
| Memorandum items: Private consumption deflator GDP deflator Unemployment rate♥ Current balance: Schilling billion 2.0 2.75 2.5 2.5 2.25 3.7 3.75 3.75 Current balance: | | -0.7 | -0.25 | | | | | | |
| Private consumption deflator 2.0 2.75 2.5 GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current belance: Schilling billion -2.0 -1.25 0.5 | GDP | 4.0 | 2.75 | 2.25 | | | | | |
| GDP deflator 1.6 2.5 2.25 Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | Memorandum Items: | | | | | | | | |
| Unemployment rate♥ 3.7 3.75 3.75 Current balance: Schilling billion -2.0 -1.25 0.5 | Private consumption deflator | 2.0 | 2.75 | 2.5 | | | | | |
| Current belance: Schilling billion -2.0 -1.25 0.5 | | | | | | | | | |
| Schilling billion -2.0 -1.25 0.5 | Unemployment rate | 3.7 | 3.75 | 3.75 | | | | | |
| | Current balance: | | | | | | | | |
| A 1 | | | -1.25 | 0.5 | | | | | |
| S billion0.2 0 0 | \$ billion | -0.2 | 0 | 0 . | | | | | |

| | _000000.050 | COURT COURT CONTRACT | | | | |
|--------------------------------------|-------------|---|-----------|--|--|--|
| Current external | halance (| Sch hn) | - | | | |
| - Vallent external | 1986 | 1987 | 1988 | | | |
| Exports | 332 | 343 | 375 | | | |
| Imports | 399 | 396 | 429 | | | |
| Trade balance | -67 | -53 | -52 | | | |
| Net investment income | -10 | -11 | -10 | | | |
| Net non-factor services | 76 | 63 | 61 | | | |
| Net transfers | . 1 | -1 | -1 | | | |
| Current balance | 1 | -3 | -2 | | | |
| Memorandum items: | | | <u></u> . | | | |
| Change in the trade balance of which | 14 | 16 | 1 | | | |
| due to terms of trade changes | 26 | 29 | 8 | | | |
| due to volume changes | -12 | -13 | 8 | | | |
| Balance on tourism* | 45 | 45 | 43 | | | |

Austria, the budget consolidation process has been greatly aided by the unexpected buoy-ancy of the economy and by

the sales of government assets. There are limits to both continued asset sales and more investment cut-backs. At the same time, the tax reform, though designed to neutral in the medium-term as far as revenue-raising is concerned, will actually lead to revenue losses in 1989 and the early 1990s, according to the report. Thus, a further reduction of the budget deficit to 4 per cent of GDP in the current year depends largely on "non-recurrent" sources of finance. If the budget strategy is to keep to its original timetable, additional measures of restraint will

almost certainly be required.
The other feather in the Government's cap is that the restructuring of the state-owned holding company OFIAC is now near completion. OeIAG is now near completion. The process has involved sub-stantial sales of assets, the reduction of capacity in weak sectors such as steel, the shed-ding of more than 20,000 workers, some 20 per cent of the organisation's total labour force, and the introduction of modern management tech-

| Projections for 1989-89 | | | | | | |
|---|---------------------------------------|-----------|-------------|--|--|--|
| (Volumes, 1976 price | s; perce | ntage cha | ngesj | | | |
| | 1988 | 1989 | 1990 | | | |
| | actual | forecast | forecast | | | |
| Private consumption | 3.5 | 3.5 | 2.5 | | | |
| Government consumption | 0.5 | 0.5 | 0.5 | | | |
| Gross fixed investment | 5.2 | 3.5 | 3.0 | | | |
| Construction | 4.5 | 2.0 | 2.25 | | | |
| Machinery and equipment | 6.0 | 5.0 | 3.5 | | | |
| Final domestic demand | 3.4 | 3.0 | 2.25 | | | |
| Stockbuilding* | 1.3 | 0.25 | 0 | | | |
| Total domestic demand | 4.5 | 3.0 | 2.25 | | | |
| Exports of goods and services | 7.5 | 5.5 | 5.0 | | | |
| Imports of goods and services | 8.8 | 6.0 | 5.0 | | | |
| Foreign balance* | -0.7 | -0.25 | 0 | | | |
| GDP | 4.0 | 2.75 | 2.25 | | | |
| Memorandum items: | | | | | | |
| Private consumption deflator | 2.0 | 2.75 | 2.5 | | | |
| GDP deflator | 1.6 | 2.5 | 2.25 | | | |
| Unemployment rate♥ | 3.7 | 3.75 | 3.75 | | | |
| Current balance: | | | | | | |
| Schilling billion | -2.0 | -1,25 | 0.5 | | | |
| \$ billion | -0.2 | 0 | <u> 0</u> . | | | |
| Changes as per cent of GDF in the previo including statistical discrepancy | us period | | | | | |
| As per cent of total lebour force | Source: OECD Economic Surveys 1988-59 | | | | | |

| Current external balance (Sch bn) | | | | | | | |
|---|-------------|-----------------|-------------|--|--|--|--|
| | 1986 | 1987 | 1988 | | | | |
| Exports | 332 | 343 | 375 | | | | |
| Imports | 399 | 396 | 429 | | | | |
| Trade balance | -67 | -53 | -52 | | | | |
| Net investment income | -10 | -11 | -10 | | | | |
| Net non-factor services | 76 | 63 | 61 | | | | |
| Net transfers | . 1 | -1 | -1 | | | | |
| Current balance | 1 | -3 | -2 | | | | |
| Memorandum items: | | | | | | | |
| Change in the trade balance of which | 14 | 16 | 1 | | | | |
| due to terms of trade changes | 26 | 29 | 8 | | | | |
| due to volume changes | -12 | -13 | 8 | | | | |
| Balance on tourism* | 45 | 45 | 43 | | | | |
| * National definitions, OECD est for 1968 | Source: OEC | D Economic Surv | rys 1988-82 | | | | |

Whether the Socialist-led coalition, which has insisted on maintaining a majority holding in most state-owned enterprises, is prepared to take the final leap of allowing private interests to take a controlling stake in these companies, remains a most point. How-ever, to outside observers it would seem a logical step to subject the slimmed-down state dinosaurs to the same financial

disciplines and regulations as

their private counterparts if

they are to become equally efficient and competitive. Having grasped several painful nettles already in its short life, the Government will now obliged to deal with the remaining black spots in the economy: the financing of an increasingly burdensome social security deficit, requiring radical measures striking at the heart of the Socialist Party's philosophy; the trimming of Austria's myriad trade and professional regulations; and the reduction of the panoply of

government subsidies. The continuation of the country's enviable economic performance depends to a large extent on overcoming these remaining obstacles to budget consolidation, business and industrial efficiency, and the

Robert Mauthner

Robert Mauthner and Judy Dempsey interview Franz Vranitzky

An unruffled Chancellor

Dr Franz Vranitzky, the 5i-year-old former banker, who has led Austria's socialist-conservative coalition Govern-ment since January 1967, is a man who refuses to be jostled into hasty decisions and judgments. The visitor is struck by the contrast between his youthful appearance and a calm and reflective manner more often to be found in much older and experienced

Neither the contemplation of his country's troubled 20th century history, culminating in last year's Waldheim affair, nor a discussion of the scan-dals affecting prominent members of his own Socialist Party and the political antics of his conservative coalition part-ners, have the effect of ruffling

At the same time last year, Austria was involved in an agonising reappraisal of its recent past on the 50th anni-versary of its enforced Anschluss with Nazl Germany, and in the midst of a spate of allegations about President Kurt Waldheim's war-time activities as a Wehrmacht officer in Greece.

Dr Vranitzky emerged from all this national self-analysis with an enhanced personal repwath an eminated personal rep-ntation, having been largely responsible for obliging his often reluctant compatriots to take an honest look at their country's history in the 1930s and during the Second World

"We started the organisation of last year's commemorative activities with a good deal of concern about their outcome. But I think we finally succeeded in getting the younger generation to become more involved in what really have involved in what really hap-pened in Austria in the 1930s and drawing the attention of observers to what we were doing," Dr Vranitzky said in an interview with the Financial Times. "Of course there are always some who do not want to stir up the past."

Though at the height of the storm surrounding President Waldheim last year, Dr Vranl-tzky threatened briefly to resign, he is now convinced that the whole debate has calmed down. "It does not seem to be a topic any longer, either in foreign countries or in Austria — at least not a topic in which people will invest much of their time."

There can be no doubt, on the other hand, which is the

topic that is currently of most interest to the political and economic establishment and the Austrian media: Austria membership of the European Community.

cautions against any hasty judgments that the application is a foregone conclusion. Though he admits that the Government has agreed to submit such an application to Brussels, Dr Vranitzky stresses that it must first of all be endorsed by the two coalition parties and Parliament as a whole. If everything goes to plan, the application could be made in July or August. The Chancellor no longer hedges his bets about what

hedges his bets about what kind of arrangements with the Community Austria is seeking. "It will be an application for full membership," he says. Time enough to think of what kind of alternative arrangements could be negotiated if the request for full membership fails.

Dr Vranitzky makes no attempt to deny that Austria's

attempt to deny that Austria's neutrality is "a real problem" as far as full membership is concerned. But there can be no question of Austria changing its fundamental stand on this subject in order to gain admittarice into the Community.

"We remain adamant that we will not change our neutrality, or our political attitude in the framework of neutrality. For a number of reasons, domestic and international, we are convinced that we must not change our position. It is not an easy thing for the EC to deal with. So it is going to be a very serious and rather compli-

one of the international factors referred to by the Chancel-lor is the Soviet Union's special interest in the matter. It is no secret that Moscow put its sig-nature to the Austrian State Treaty, which gave Austria back its independence in 1955, only on the understanding that Austria would declare itself neutral. "The Russians should not state its own politinot worry. It's our own politi-cal will and conviction that we will not give up neutrality," the Chancellor firmly pro-

Dr Vranitzky feels, however, that neutrality can be considered an obstacle to Austrian membership by some Community members only in an antagonistic East-West climate. "Why do we not leave open the possibility that in the 1990s, or perhaps later, the political situation in Europe will have developed to such an extent that neutrality will not be looked upon as a burden, but as a positive prerequisite for a relationship between the coun-

tries and peoples of Europe."
Indeed, the Chancellor sees Austria as continuing to play a very special role in East West relations whether it becomes a member of the EC or not. "We have always looked at Eastern Europe, not as a bloc, but as a number of individual countries. Moreover, we are the only European country not adhering to communist ideol-

ogy which, even during the peaks and troughs of the Cold War, has managed to maintain a balanced relationship with

all European countries."

'I think that, in doing so, we have acted not only to our own economic benefit, but have contributed to some kind of contributed to some kind of stability in central Europe. Whatever happens, we will continue our policy of as close as possible relationships with our eastern and northern neighbors."

neighbours." For Dr Vranitzky, Austria's excellent economic performance last year and the prog-ress made towards restructuring the country's heavily-indebted state industries is a cause for satisfaction, tries is a cause for satisfaction, but certainly not complacency. He is acutely aware of the urgent need for even greater improvements to enable Austrian industry to be competitive either within the EC or in close association with its Single Market. His policies are based on a very modern mixbased on a very modern mix-ture of free market and social-

"We have to concentrate more on competitiveness. Some people think that being competitive today means being competitive for ever. We have to be competitive because this is the only way to maintain full employment, which we have almost reached. And we need to be competitive to survive periods of recession.

"What this means in practice is more deregulation. Economists sometimes divide the economy into protected and exposed sectors. We have to be very careful that the protected sector will not be structurally too large, as it is today, compared with other small and medium-sized European coun-

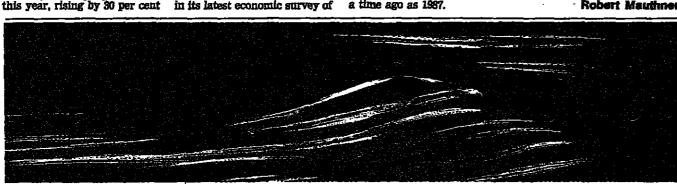
partial privatisation of state industries and banks, Dr Vranitzky continues to emphasise that he does not consider privatisation to be necessarily "an instrument which brings a lot of improvements.

"If it serves the goals of com-panies well, then I am open to more privatisation, except in the case of utilities, airlines and steel I am, in any case, an advocate of strong company managements which are free of political influence."

But the Chancellor refuses to take a dogmatic view of the problem of privatisation or nationalisation. It is all part of his basic philosophy that. while socialist values are still very much valid today, they must be adapted to the changed circumstances of the



Typically, the Chancellor Dr Franz Vrantizky: refuses to be jostled into hasty decision



ASOUND VESTMENT ASOUND COUNTRY

Verbundgesellschaft, Austria's largest utility company supplies

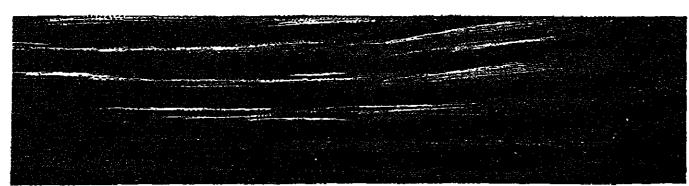
more than half of Austria's electricity.

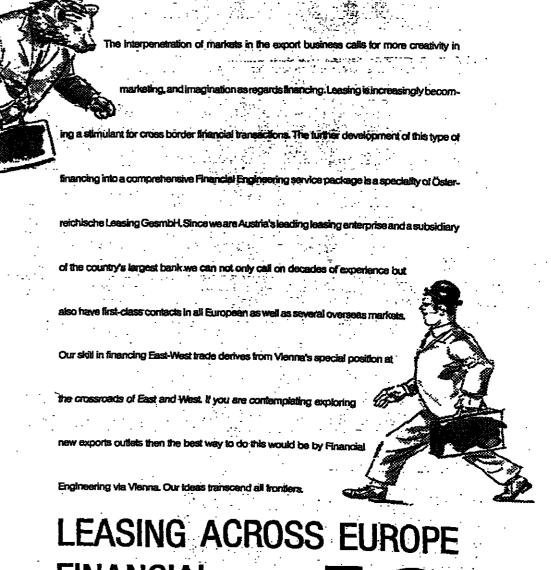
Verbundgesellschaft produces almost 90% of its electricity by hydro power.

Consequently. Verbundgesellschaft will also invest in hydro energy in the future to maximise the return from this cheap and environmentally safe form of energy.

lf vou went to have further information we will aladiv send you our Shareholder's Letter No. 1. dundgesellschaft. Postbox 67, A-1011 Vienna, or call us at 0860/444 toll-fr

Verbund





FINANCIAL **ENGINEERING VIA VIENNA** OSTERREICHISCHE LEASING GES MBH

An associate of the CREDITANSTALT Banking Group.

A-1040 Vienna, Wiedner Hauptstrasse 56, Telephone (222) 588 08-0, Telefax (222) 588 08-524

Member of Multilease and of the Lease Club.

Judy Dempsey on the grand coalition's troubles and the rise of the right wing

Socialists ride out political storms

scandals, tax fraud affairs and resignations. Austria's century-old Socialist Party (SPOe) led by the Chancellor, Dr Franz Vranitzky, has so far gue-ceeded in weathering the politi-

cal storms of the past year. However, the same can hardly be said of the conserva-tive People's Party (OeVP), the junior partner in the coalition. Although spared such scandals, it has been unable to exploit the SPOe's misfortunes to its own advantage because of a continuing leadership crisis. The indications are that this crisis cannot fail to affect the party's chances in the next

But if there is one party which is most likely to benefit from the scandals in the SPOe, as well as from the continu disarray in the OeVP; it will be the small right-wing epposition Freedom Party (FPOe), led by the charismatic and populist 39 year-old Mr. Jorg Halder. The steady rise of the FPOs has been one of several factors which have helped to keep the ungainly "grand coalition" together since it was formed 2½ years ago. But there are other reasons why two ideologically opposed parties should cling together.

As a coalition, it remains No sooner had the inquiry As a coalition, it remains committed to applying for membership to the European Community, it appears intent on pressing sheed with a second to restructure the conomy through a programme of privatisation and cautions deregulation. Neither the SPOe nor the OeVP could carry out such a programme alone.

Each of the big parties has been persistently dogged by problems which have given Mr Haider ample opportunity to make political capital in the case of the SPOe, a corruption scandal has already claimed the political lives of the Interior Minister, Mr Karl Blochs, and the former Foreign Minis-ter and Speaker of the Lower House, Mr Leopold Gratz, both of whom resigned last January. Their resignation followed auccessful pressure by the "Greens" for the setting up of a parliamentary inquiry last December to investigate the sinking in 1978 of the freighter Lucona, in which six sailors died. The affair involves Mr Udo Proksch, the scentric owner of Demel, Vienna's most fashionable coffee house. it is alleged that the sinking of the Lucona was the subject of a massive insurance fraud. opened, than the SPOe was faced with even more adverse publicity. Mr Gunther Sallaberger and Mr Heinrich Keller, the party's general secretaries, were forced to resign after

being accused of tax fraud.

This autumn, the Socialists expect more resignations when the Noricum trial opens. The management of Noricum, the weapons division of Voest-Alpine, the state-run steel and engineering group, is alleged to have made illegal sales of weapons to Iran between 1983

Mr Vranitzky might be reluctant to admit it, but the scandals in his own party have in fact given him the opportunity to throw out a lot of "dead wood". The Chancellor's particular target has been those who treated the party as an "old boy network" and were more er to distribute favours to the party faithful than to prescribe unpalatable medicine such as privatisation and reductions in social welfare payments.

By projecting a more modern SPOe image, the Chancellor hopes to persuade increasingly disillusioned voters at the next election, due in 1990, that the Socialists are still the best

The OeVP is, if anything, in worse shape. Mr Alois Mock, who was replaced as party leader and Vice-Chancellor by Mr Josef Riegler last month never fully recovered from failing to break the Socialists' 13year-old stranglehold on government during the 1986 elec-tions. As Vice-Chancellor and Foreign Minister in the grand coalition, Mr Mock remained very much in the shadow of Mr Vranitzky. In addition, the OeVP leader

ship, which was regularly crit-icised by the party's powerful provincial governors for its ack of direction and leadership, has also failed to attract new members and to promote the younger generation of intellectuals, who have since retreated in disillusionment to the Wirtschaftsbund, the par-ty's economics think-tank. But while Mr Vranitzky attempted to modernise his party and Mr Mock floundered in his efforts to lead the party, Mr Haider launched his assault

on the grand coalition. In Mr Haider's view, Austria's post-war political system, built on political consensus, has been dominated by a patronage sys-tem and a bureaucracy which

two main political parties. Mr Haider emphasises that the "Proporz" system, under which most senior public sec-

tor posts are equally divided between the SPOe and the OeVP, particularly in the banks, has promoted corrupt practices. Undoubtedly, there is some truth in what Mr Haider says

about the way power is distributed in Austria, even though the SPOe and OeVP often (and mistakeniv) shrug him off as an upstart and a passing phe-But the FPOe has its own serious blemishes, not least its

tendency to play on nationalis-tic and anti-semitic themes and a vague and unconvincing stance on economic and social issues. None the less, this has done little to hinder Mr Haider's appeal. By combining criti-cism of the system with unashamededly populist senti-ments in defence of the "small man", Mr Haider is likely to be a powerful factor in the next election and a broker to be reckoned with in the subsequent coalition-building.

Trends in recent provincial election results confirm this. Last week Mr Haider was elected governor of Carinthia



Josef Riegler, leader of the conservative People's Party and the new Vice-Chancelloi province. Last autumn in the eastern province of Burgenland, an old Socialist strong-hold, the FPOe for the first time won three seats in the local parliament, in Vienna. the FPOe increased its share of seats by six to eight. In Niede-rösterreich, the most conservative of provinces, it won five seats at the expense of the OeVP. And last March, in a dramatic run of successes, the FPOe ate heavily into the OeVP in Carinthia, increasing

its share of the vote from 16 April of Mr Mock, along with per cent to 29 per cent and its seats from five to 11. It also gained ground in Tirol and Salzburg.

the OeVP which lost out to the FPOe, a trend likely to be repeated at the next election. This set-back prompted the setting up of an OeVP commission, whose less than complimentary conclusions precipitated the resignation in

local party organisation in Vienna, traditionally the most

two other OeVP ministers. But the FPOe won votes not simply because the OeVP was in disarray, or because Mr Haider had a highly sophisticated campaign machine behind him. Much has to do with his appeal to the younger generation, which is highly critical of a political system which permits so much patronage and corruption. The tradi-tional political parties have good reasons to be worried.

A LONG road with many pitfalls lies ahead of Austria now that its coantion Government has made up its mind to apply for full membership of the European Community. Well before a formal applica-tion has gone to Brussels, Mr Jacques Delors, the President of the European Commission, has made clear that it will meet some reservations and arouse no great sense of

The Austrian Government itself has made a set of stipulations in announcing its intention to apply. It wants the EC formally to accept the country's status as a permanent neutral. The eventual treaty of admission would have to safeguard Austrian welfare policy and environmental concerns. Moreover, though the two coalition parties, at least one of which is needed for any imaginable future alternative government, are committed to applying to Brussels: there is some important opposition and a widespread, if ill-defined malaise, at the grass roots. Dr Franz Vranitzky, the Nobody in Vienna expects Chancellos, admits that arrang-

serious negotiations with the EC to begin before the Community has completed its own internal market, according to timetable by the end of 1992, if then. It will take several years more to come to a conclusion. Dr Alois Mock, the Foreign Minister, admits that the initial enthusiasm for Austria among some of the Twelve has been tempered by prudence. The attitude, he says is: "You are welcome — but please come a bit later."

What officials in Vienna call the "fundamentalists" of the EC, such as the Benelux countries, are the most reserved about Austrian membership. They are afraid that recognis-ing Austrian neutrality would hamper progress towards the political union of the Community. Mr Delors made this point clearly in a speech last Janu-ary when he said that the Community was called upon "to turn itself into a political union with increasing co-operation in foreign affairs and secu-

Dr Franz Vranitzky, the

Vienna's bid to join the EC is likely to progress slowly Pot-holed road to Brussels

ing for neutrality will be a it does not go far enough. The complicated matter. Dr Mock same goes all the more for the says that given the political will, it can be done. He admits that Moscow's views about neutrality differ from his, a matter of some importance since neutrality was adopted as part of the post-war settlement. But Dr Mock adds that he has not come under unacceptable pressure from the Russians. In any case, Vienna argues that Austrian neutrality has been in the interests of Europe. For official Vienna the overriding arguments for EC membership are commercial and industrial. A hint from Mr Delors that it might make more sense for the European Free-Trade Association (Efta) -to which Austria belongs - to

negotiate as a whole a closer

economic relationship with the

EC, has been rejected by Dr Vranitzky on the grounds that

idea that Austria could keep in step with the EC internal mar-ket by voluntarily adopting the rules valid in the EC. For a start, that would deprive Austria of the voice which, once a member, it would have in making Community policy.

The Austrian Federation of Industrialists has been among the firmest advocates of joining - even though its members, under an existing free trade agreement - already have access to the Community market free of tariffs and quotas. But they are afraid of non-tariff barriers and bureau-

Dr Helmut Kramer, head of the WIFO economic research institute in Vienna, says that full membership is the most logical way for Austria, but warns that many Austrian

businesses are not fully aware of the challenges they face in the Community. For instance, Austria discriminates against foreign insurance companies by imposing a higher tax on their premiums than on those of insurers registered in Austria (including, admittedly, those foreign owned).

Such discrimination conflicts with Community rules. The provision in Austrian banking law which requires local need to be established before a bank branch may be opened could also cause trouble. (This provision has, however, been admin-istered liberally.) In the EC, Austrian credit institutions would probably have to loosen their tight grip on the issue of bonded government debt. The liberalisation of capital markets and formal membership of the European Monetary Sys-tem would tend to bring down

Austrian interest rates to the usually lower West German level. (At present Austria does not belong to the EMS, though in practice the Schilling is managed to track the D-Mark.)

Agriculture will present especially knotty problems. Farm prices are generally higher than those in the EC. The farmers' organisation esti-mates that under the EC farm system the Austrian peasantry would be the poorer by Sch 3.6bn-Sch 4bn (about £164m-£178m) a year. Needless to say, they would want compensa-tion. The Government is sym-pathetic. The textile industry is, by and large, in favour of joining, so too is the papermaking industry, which believes that it would gain advantages denied to the Scandinavians left outside the Com-

munity.
The retail trade, perhaps,

influential, is against joining. It is afraid that Vienna and the has most to fear from an invasion of more efficient German chains. How difficult it is to entire east of the country work out who would be the winners and who the losers from membership can be seen from the case of the food prowould be marginalised within the EC. Instead, Austria should take advantage of change in Eastern Europe to play its his-toric function as a bridge cessing industry. Austria's wheat and sugar would probabetween East and West. The last available opinion bly become cheaper, whereas

fruit and vegetables for pres-erving would become dearer. State-owned industry, espepolls show a narrow majority of all Austrians in favour of joining, but there is much contradictory anecdotal evidence. Electorates tend to fear the cially steel, presents a potentially delicate problem. Steel is recovering from a period of unknown. That could become heavy losses, but the trade important in the future since it unions and many Socialists are afraid that under EC competiis generally agreed that a refer-endum will have to be held before an eventual treaty of tion law restructuring and rules against subsidies will be more stringent. Altogether, most economists believe that accession comes into effect.

Dr Vranitzky says that a final decision will have to the mere prospect of member-ship of the EC will greatly depend upon what can be nego-tiated. But even the Vienna Socialists want the closest posincrease pressure for restructsible relationship with the Community. Austria already uring much of Austrian industry which they believe to be conducts two-thirds of its fornecessary anyway. No wonder that some Socialeign trade with the Commuists are unhappy with the prosnity. Existing realities will be pect of joining the EC. The hard for Austrians to ignore.

VIENNA AN INTERNATIONAL FINANCIAL CENTRE

Vienna, the capital of the Hapsburg monarchy, was the administrative, economic and manicial centre of an empire that exercised its authority over a large part of Cantal and Southern Europe.

A financial centre with all incilities

ଅନ୍ୟର୍ଗର ଓଡ଼ିଆ କଥା ଥିଲେ । ଏହି ଅନ୍ତେ ଖଣ୍ଡ ଓଡ଼ିଆ ଓଡ଼ିଆ ଓଡ଼ିଆ ଓଡ଼ିଆ । ଏହି ଓଡ଼ିଆ ଓଡ଼ିଆ । Today, Vienna is the easternmost financial centre of the "capitalist world". From its peripheral position on the eastern edge of the "West", the Federal capital of neutral Austria, thanks to its facilities has turned inexorably into a place of economic and financial exchange between a changing communist hemisphere and the Western world with its increasing interest in trade with the Eastern Bloc. It fulfills all requirements of such a place.

The leading Austrian institution in the field of finance and credit is the Osterreichische Nationalbank AG with its headquarters in Vienna and branches in all Austrian Provincial capitals. The Osterreichische Landesbank has a particularly wide scope of financial functions which is due to the fact that the former Osterreichisches Münzamt (Austrian mint office), today Osterreichische Münze AG (Austrian artifeti (1982) in territoria (1984) in this complete in the contract of the c

In the field of credit business the so called "Big Seven" in the finance sector also have their headquarters in Vienna. These institutions (Creditanstalt Bankverein, Girozentrale und Bank der Osterreichischen Sparkassen AG, Osterreichische Landerbank AG, Zentralsparkasse und Kommerzielbank, Genossenschaftliche Zentralbank AG, Erste Osterreichische Sparkasse, Bank für Arbeit und Wirtschaft) unit approximately 40% of the overall balance sheet totals of all Austrian credit institutions.

In the savings bank sector the five histitutions with the greatest amount of total deposits (Zentralsparkasse der Gemeinde Wien, Erste Osterreichische Sparkasse Wien, Allgemeine Sparkasse in Linz, Steiermärkische Sparkasse in Graz, Sparkasse Innsbruck Hall) accumulated approximately 70% of the Austrian liabilities to non-banks in the past year. The two Vienna savings banks with their subsidiaries alone accounted for more than 50%

As far as the federal mortgage banks are concerned, the land bank of the federal mortgage banks and two other mortgage banks have their headquarters in Vienna. In 1988 the three institutions had approximately 30% of the interim return sum of all Austrian mortgage

Besides, the financial centre Vienna plays an important role in the rural credit co-operative sector (agricultural credit co-operative sector) and in the industrial co-operative sector (industrial credit co-operatives) which have institutions in all parts of Austria. The leading banks

The credit institutions with domicile in Vicina account for approximately 40 to 50% of all Austrian deposits and loans by non-banks. At the end of 1988, 135 banks with 595 branches conducted their business in Vicina. Among others the home savings banks are part of the credit sector. Of the four Austrian institutions active in this special sector only one (Bausparkasse Wüstenrot) does not have its headquarters in Vienna but in Salzburg.

Giro service with more than 2,300 branches: The postal savings bank

The Osterrichische Postsparkasse (Anstrian Postal Savings Bank) plays a particular role among the Austrian financial institutions. Its administration is prescribed by a special law. The postal savings bank book is well-known to everybody, even to the smallest pensioner's household. The most important part of the postal savings bank business is the handling of postal giro and cashless transactions. Here, the Vienna central office functions as a central clearing house. The Austrian postal savings bank cooperates with the 2,300 Austrian post and the state of t

instrian finance based abroad - presence of foreign banks in Austria

For a long time now, the Austrian financial and credit institutions have been creating bases on foreign markets. The leading institutions alone, namely Creditanstalt Bankverein, Länderbank, Genossenschaftliche Zentralbank und Girozentrale der Osterreichischen Sparkassen have eight branches and 24 representative offices in Europe and overseas, including such countries of the Eastern Bloc, as Czechoslavakia, the German Democratic Republic, Hungary, the Soviet Union and the Peoples' Republic of China.

On the other hand a number of foreign banks have established branches and representations in Vienna and have acquired participations in Austrian institutions in order to use Vienna as a base for financing the East-West trade. At present, foreign banking institutions have 15 branches and 17 representations in Austria as well as 17 participations in and joint ventures with Austrian banks.

Insurance companies active in the financing business

An efficient and highly developed credit machinery is, however, not the only essential prerequisite any financial centre requires. A financial centre needs further institutions in which capital is accumulated, in the first place insurance companies which, with the financial means at centre needs further institutions in which capital is accumulated, in the first place insurance companies which, with the financial means at their disposal, usually function as large-scale industrial investors on the money and capital market. The 71 private insurance companies active in Austria have, due to their premium income, a high inflow of pecuniary resources. In the year 1987, their premium income amounted to 70 billion schillings. The share of the ren most important insurance companies in the total premium income is approximately 70%. Wiener Städtische Wechselseitige Versicherungsanstalt, Bundesländer Versicherung AG and Erste Allgemeine Versicherung AG account for over one third of the premium income.

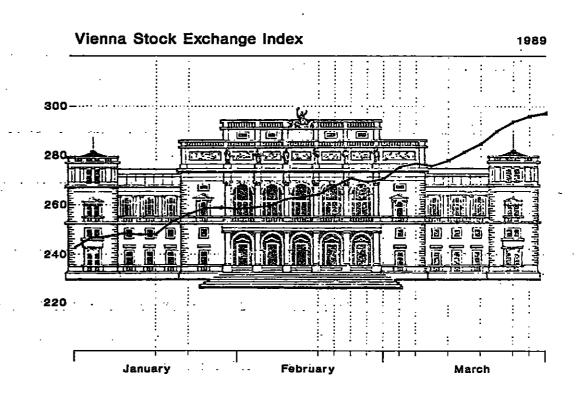
The ensternmost stock exchange of the Western World

For more than 200 years, the Austrian money and capital market has had a stock exchange which right now is galning more and more importance. In 1988 shares of 125 Austrian and 51 foreign joint stock companies were quoted on the Vienna stock exchange. The market value of the Austrian shares alone amounted to 115.5 billion schillings. Moreover, 2,030 fixed interest securities of Austrian and foreign issuers with a total nominal value of 733 billion schillings were traded on the stock exchange.

Vienna - a platform for Europe's financial reorganization?

As a result of the new economic and thus financial orientation of Austria's communist neighbours there is a chance for the financial centre Vienna, with its connections from Moscow to Los Angeles and with the know-how of its financial experts in both parts of the world, to become one of the decisive factors in the process of an economic and financial reorganization of Europe, if not of the whole world.

CONTINUOUS UPSWING ON THE VIENNA STOCK EXCHANGE



THE UPSWING ON THE VIENNA STOCK EXCHANGE REFLECTS THE EXTREMELY POSITIVE KEY INDICATORS FOR THE AUSTRIAN ECONOMY.

Austria's Economic Performance

Percentage change to previous year unless otherwise stated

| | Aus | TRIA | OECD-EUROPE | |
|------------------------------|------|------|-------------|------|
| | 1988 | 1989 | 1988 | 1989 |
| REAL GDP GROWTH | 4,2 | 3,0 | 3,7 | 3,0 |
| INDUSTRIAL PRODUCTION | 6,5 | 4,5 | 4,1 | 3,6 |
| Inflation | 2,0 | 3,0 | 3,3 | 4,0 |
| UNEMPLOYMENT RATE | 5,3 | 4,9 | 10,5 | 10,3 |
| CURRENT ACCOUNT, IN % OF GDP | -0,4 | -0,5 | 0.3 | 0,3 |

taking a serious look at which

sectors of OeIAG can be sold

small sectors of OeIAG have realised a total of Sch 4.6bn.

"I reckon I need Sch 5bn to see me through," Mr Sekyra

says, adding that he had hoped

to issue government-backed bonds which could eventually

be transformed into voting

shares. But the conservative People's Party (OeVP), the junior partner in the Socialist-led coalition, argued against it on the grounds that it did not

like half-baked measures; it

would have to be an all-out pri-

Mr Sekyra, who gives the

impression of being able to shrug off the political bicker-

ing, thinks he will get his way But in the meantime, he is seriously contemplating going pub-

The first tranche of an

OeIAG bond issue could be placed on the market before

the end of 1989, he hopes. The

issue would consist of convert-

ible debenture stock. Interest

would be below the capital market rate but in return,

investors would be entitled to

buy OelAG shares at reduced prices when OelAG is ready for

the market in 1992 or there-

It seems an ambitious pro-

gramme, But Mr Sekyra knows

there is not much time. "We

have to compete in Western

markets. At the moment, 63.4 per cent of our exports go to

the European Community. I

want to increase that share

and move even further away from the Eastern markets which today account for 9 per

The setting up last year in Frankfurt of the Austrian

Mergers and Acquisitions organisation (Amanda) is a step in this direction. Mr Sek-

yra is looking for partners, buyers and sellers for parts of

about revealing these plans, in

contrast to his commitment to

restructuring and bringing in

new blood.

Mr Sekyra's office in the

OelAG's headquarters in the centre of Vienna conveys his desire for renewal. In contrast

to the heavy dark wood panel-

ling on the staircase, so typical of state-run buildings, his office is bright and full of

high-tech lights and gadgets.
"That's the new corporate image," he says. "Modern interiors in a traditional shell."

cent of our exports."

lic with OeIAG.

OelAG's new broom cleans up years of industrial decline

WHEN MR Hugo Michael terreichische Industrieholding (OeIAG), the holding company for the State controlled industrial sector in 1986, it was, by general agreement, in a sorry

At the time, OeIAG was employing more than 108,000 people or about 20 per cent of the total industrial workforce. The workforce was run by managers who were generally appointed for their political loyalty rather than their pro-fessional skills and compe-

In addition, the group was making huge losses, reaching a record high of Sch 14bn in 1985, and its exports, which made up 21 per cent of total exports in 1980, had fallen to 17 per cent. Its survival depended on more government subsidies or else a radical shake-up of the whole

The Government chose the latter course and appointed Mr Sekyra to take on the mammoth task of transforming a sector which, over the years, had become a haven of high pensions, tenure and political

The reason why OelAG's performance and management deteriorated over the years is in part related to the immediate post-war situation in Austria. At that time, most of Austria's large industrial enterprises were regarded as "German property" and, unless they had been nationalised by the Austrian Government, they could have been expropriated by the victorious Allies as war

reparations. Hence, the First Nationalisation Act of July 26 1946 which brought about 70 companies, including mining, smelting, oil production, gas, transport and utilities under the control of

the government. OeIAG experienced few problems in the 1960s nor during the boom years of the 1970s. But the unwillingness in the 1980s to rationalise and diversify, at a time when the international economic climate rendered this increasingly necessary, combined with a steady flow of subsidies and controlled prices, postponed any major reappraisal of the company's performance.

| Asset sales 1987-89 | | | |
|-------------------------------------|-----------|-------------------|----------------------|
| | 1986 % | 19 59 % | Proceeds (sch bn) |
| FEDERAL GOVERNMENT (1987-89) | | | |
| a) Austrian Electricity Company | 100.0 | 51 | a+b+c |
| b) Illwerke | 70.2 | 51 | = 9.9 |
| c) Other smaller electricity Co | 74.2 | B | |
| Mint♥ | 100.0 | . 0 | 8.0 |
| Creditanstalt-Bankverein | 60.0 | 51 | 0.2 |
| Länderbank 4 | 80.0 | 51 | |
| Austrian Airlines | 99.2 | 51 | 0.7 |
| Other | - | 0 | 0.6 |
| TOTAL | - | - | 19.3 |
| OeIAG (1987-89) | | | |
| Austrian Mineral Oil Company (OeMV) | 100.0 | 8 5 | 1.3 |
| Slemens, Oesterreich | 43.6 | 26 | 1,9 |
| Other . | - | - | 1.9 |
| TOTAL | _ | | A G |

Indeed, between 1981 and 1985, OeIAG received as much as Sch 26bn from the Government. It was only the scandal involving Voest-Alpine, the steel and heavy engineering sector of OelAG, in which the management was caught illegally speculating on the oil markets, that provided the Government with an excuse to take a hard look at the group and review its activities. It was at this point that Mr

workforce. Through patient agreements with the trade unions, a generous pension scheme, redundancy payments and a reduction of the retirement age from 60 to 55, he slimmed down the workforce to 88,220 by 1988. "I expect it will be brought down to 83,000 by this year," he said. But to make the transition to

effective management and high productivity, Mr Sekyra needed cash. Under the terms Sekyra was brought in. His

The Government elected to transform a sector which, over the years, had become a haven of high pensions, tenure and political patronage

first task was to streamline the organisation's various divisions. He created seven holding companies, covering 350 com-panies headed by OeIAG. These sectors included metals, chemicals, electrical engineering and electronics, machinery, building, oil and gas, and steel. Mr Sekyra subsequently

tackled the management, reducing the number of administrative personnel on the management and supervisory boards, as well as promoting experienced specialists.

"I do not care what political party they belong to," says the 47-year-old Mr Sekyra. "I just want to appoint people who know how to run a business and know that they have to pay out dividends."

MADE IN AUSTRIA

RELY

ON A GOOD PARTNER

For contacts with Austrian manufacturers. experting and importing firms

For your regular free copy of

Austrian Trade News

Please contact:

The Austrian Trade Commissioner in the UK Dr. Gerhard Kernthaler 1 Hyde Park Gate, London SW7 5ER

Telephone: 01-584 44 11, Telex: 25668 Telefax: 01-584 25 65

Austrian Trade Commissioners Worldwide: Algeria · Angola P.R. · Argentina · Australia · Belgium · Brazil Bulgaria · Canada · Chile · China P.R. · Colombia · CSSR · Cuba Denmark · Ecuador · Egypt, Arab. Rep. · Federal Republic

of Germany · Finland · France · GDR · Greece · Guatemala

Hong Kong · Hungary · India · Indonesia · Iraq · Iran · Ireland

Israel· Italy· Ivory Coast· Japan· Jordan· Kenya Korea Dem.P.R.· Korea Rep.· Kuwait· Lebanon· Libya Malaysia· Mexico· Marocco· Netherlands· Nigeria· Norway

Pakistan · Peru · Philippines · Poland · Portugal Rumania · Saudi Arabia · Sweden · Switzerland · Singapore South Africa, Rep. · Spain · Sudan · Syria · Taiwan · Thailand Tunisia · Turkey · United Arab. Emirates · USA · USSR Venezuela · Yugoslavia · Zaire, Rep. · Zimbabwe

of the 1987 Financing Law, the Government allocated Sch 33bn to the OelAG, most of which was earmarked for capital investments. Mr Sekyra insists that he will not ask the Government for any more money. Indeed, he has gone even further by suggesting that OeIAG will be out of the

red by 1990. In 1988 we will have a cashflow of Sch 10.3bn compared with Sch 1.18bn in 1987. Our losses for last year will be reduced to Sch 3bn. And by the end of 1989, we expect to have profits of Sch 4bn. That's not bad after three years of restructuring," comments Mr

However, Mr Sekyra is running out of money for moderni-

Relations with Eastern Europe

Ties under close scrutiny

VIENNA'S 12th Festival opened at the end of last month to the sounds of Jazz bands and merry-making in the streets and a vast selection of schnitzel, sausages, slivovic and bread, spread out on open-air stands to tempt the thousands of Viennese.

This is a politically sensitive area. The Government is committed to a partial programme of privatisation in which the Republic will retain a majority stake of 51 per cent in its holdings. Mr Sekyra admits he would like to see certain sections seld off Such entertainments are nor-"Stadtfest". But what was unusual this year was the festival's slogan: "Ost, West, Grenzenlos" — East, West, without borders. This slogan goes beyond mere rhetoric because would like to see certain sectors sold off completely.
But so far, he has been content with the 15 per cent sale last year of OeMV, the giant oil and petroleum group, which brought OelAG a much-needed Sch 1.3hn. Additional sales of over the past 35 years, Vienna, and particularly the Foreign Ministry, has been patiently pursuing a policy of what it calls "good neighbourliness" Siemens Austria and other

with its eastern neighbours.
Undoubtedly, this policy has been influenced by history. Before 1918, Vienna was the capital of an empire which stretched from Vorarlberg in the west to the eastern regions of Galicia, now in Poland, and Chernovitz, now in Russia. It was also a fantastic magnet for artists and intellectuals, ideas and creative energy, whose impact, both after 1918 and the Second World War, could not

be easily forgotten.
Thus, after barbed-wire fences cut the tram-line which ran between Vienna and Bra-tislava, following the Communist takeover of Czechoslo-vakia in 1948, the Austrians

East, West, without borders' was the siogan of this year's Vienna Festival

were still reluctant to turn a blind eye to their eastern neighbours. However, the decision to keep the doors open to the East went beyond feelings of nostalgia, cultural or historical affinity

We did not want the Cold War permanently on our borders," a Foreign ministry offi-cial explained. "We ourselves remembered what it was like when the Russians were here until 1955. It was not easy. Their presence was a useful reminder to us of what it was like for our Czech and Hungarian friends who were trapped

on the other side.' Thus, the Austrians willingly opened their borders to the thousands of Hungarian refugees who fled after the 1956 uprising was crushed and, subsequently, to Czechs fleeing from the Soviet-led invasion of Prague in 1968.

garians escaping from their country, they are flocking into Austria over a border crossing which, for all intents and pur-poses, no longer exists. Even the electronic devices on the Hungarian border are this month being dismantled.

The relaxed relationship

between Vienna and Budapest has as much to do with the political and economic changes taking place in Hungary as with Austria's Eastern European policy. In practice, that policy today allows Poles, Hungarians, Yugoslavs, Bulgarians and Romanians to enter Aus-tria without a visa. Last year,

eased for the Poles and the Humearisms, tens of thousands converged on Vienna, some to stay illegally, others simply to sample the huge variety of goods on offer in a Western consumer society.

Austria's special relationship

with Eastern Europe, often described as "a bridge" between East and West, is now coming under close scrutiny, not least by the Austrian For-eign Ministry and the two main political parties. This "re-examination" has come about partly because of the changing climate in East-West relations. But it has also been undertaken because of the implications of Austria's pending application to join the European Community (EC).

From an economic stand-point, the thaw in East-West relations is likely to have a considerable effect on Austria's trade with Eastern Europe. Since 1975, its exports to Com-econ have fallen from 17 per-cent to 8.5 per cent of the total, caused mainly by a determined-effort on the part of the Austri-ans to direct more of their trade towards the OECD and

EC countries. Despite the economic reforms in the Soviet Union and in neighbouring Hungary, Viennese bankers remain sceptical that they will dramatic-ally push up Austria's exports to the East. On the other hand, West Germany, by taking advantage of the economic reforms, is likely to increase substantially its trade with Comecon, currently hovering at around 8.4 per cent of its

total exports. Bankers say it is largely a problem of capital. "Unlike the West Germans, we simply do not have the kind of capital to invest heavily in Eastern Europe. Instead. we tend to focus on small contracts, relying on our contacts, cemented over the years through lan-guage, relatives and a special

position in this part of Europe," they add. In the view of the Foreign Ministry, Austria's improved relations with the East, which were never really contingent on dynamic economic ties, will not be greatly affected even if trade with Eastern Europe

does decline. But Austria's future political links with the East, are an entirely different matter. Offi-cials say that if Austria's appli-cation for full EC membership were to be seriously considered, then fundamental ques-tions could be asked about its special relationship with its

"We feel that, as the EC moves towards greater integration involving the free movement of peoples within the Community, Brussels might insist that we revise our visa-free policy towards our Eastern neighbours," a senior Austrian

official commented. Of concern to some EC countries was the possibility that Austria could be used by East Europeans as a transit route to other parts of Europe. Aus-

tria's visa-free arrangements

which will come up sooner or later" with Brussels. later" with Brussels.
Foreign Ministry officials, however, are banking on two developments which they hope will postpone any major reassessment of the future direction of Austria's foreign policy with the first state.

with the East. They see the possibility of the countries of Eastern and Western Europe Rastern and Western Europe forging much closer economic co-operation and political links. As an example, they point to the increased confacts between the EC and Comecon. They also point to the more liberal winds sweeping across some parts of Eastern Europe which, they say, should be acknowledged by the West. If we make demands on the

If we make demands on the Bast to relax its travel restrictions and to improve on human rights, then the West should be prepared to honour such improvements by allowing the East Europeans to travel throughout Europe, a Foreign Ministry official

argued, adding that "we cannot carry that burden alone." Austrians are, however, prepared to take the risk of jointly hosting with Hungary an ambi-tious World Exhibition in 1995, which will be divided between Vienna and Budapest. The Austrians expect the project, which is to include the construction of a high-speed rail link and direct motorway between the two capitals and many new hotels, to be pri-vately funded. The Hungarians hope they will get money for the enterprise from the West.

Above all, many in Vienna speak about the important grenzenlos aspect of the venture. "The exhibition should not be viewed as Austria moving towards the Rast, it should be seen as an attempt by Vienna and Budapest to break down frontiers between two different political systems."
one of the Viennese organisers of the exhibition commented.

Judy Dempacy

mess; maybe also it's mest fan.

Mediener it may be that makes you visit Tyrul or other parts of Western Austria: there is comes to banking, the first orderess in this area is the Tiroler Sparkasse (the Tyrol Saving Bank).

As worder one is private and comments business. And with traditional (and aselul) connections to Central European economics. You will find Tireler Sparkusse Immakes in currency area; in Balzano, Italy; and also in Vienna: As substantial shareholders of the Back Union Frankfart am Main AG, we are present in Freeldent. And also Zwitch name as



Two hints to convince industrial center of Austria. you of Linz

Judy Dempsey

First: Linz is, between the musical poles of Vienna and Salzburg, the

And second: With the Allgemeine Sparkasse of Linz you are offered the services of a bank unsurpassed in local know-how and at the same time well acquainted with advanced international business.



Allgemeine Sparkasse



SWIFT ADDRESS: ASPK AT 2L Telephone: (0732) 2391-0* Telefax: (0732) 2391-2801 Telex: 22117 for documentary, transactions and foreign business, 21393 for foreign exchange and banknote dealers, 21068 for money dealers Telegrams: Sparkasse Linzdonau Established 1849, 40 Branches, A-4041 Linz, Postfach 92.

FIRST AUSTRIAN BANK SINCE 1889 THE INNOVATIVE BANK WITH TRADITION



TRADE FINANCE WHERE NO TWO DEALS ARE EVER THE SAME THE REASON FOR YOU TO TURN TO THE EXPERTS

1992 provokes a more international outlook

AUSTRIAN banks are at a crossroads. After several years of handsome profits and rapid expansion, the banks are now turning their attention towards strengthening their international presence, coping with deregulation, and even consid-

ering mergers. Results for 1988 confirm these trends. While the coun-try's leading banks closed with stronger balance sheets and steady growth in cash-flow, some, such as Creditanstalt. Bankverein, the largest bank, had noticeably smaller profits. This was due partly to provi-sions for international investsions for international invest-ments and the poor perfor-mance of some of its industrial stilliates, most notably Steyr-Daimler-Puch, which accounted for its compara-tively smaller post-iax profits of Sch 1.02bn.

of Sca Luzon.

However, in the international arena, the bank was increasingly active. Foreign business earnings accounted for 45.8 per cent of its balance sheet total. But more significantly, two leading Japanese institutions, Sumitomo Life, one of the country's largest life insurance companies, and Mit-subishi Trust, the leading trust bank, each bought stakes of less than 5 per cent in Credi-

The deal forms part of the strategy of Mr Guido Schmidt-Chiari, the chairman, in developing the bank's operations in Japan as well as attracting Japanese institutions and private interest in investments in Austria, The bank's Hong Kong office was upgraded to full branch status as part of

this strategy.
Girozentrale, the second largest bank whose business is concentrated on financing, not on retail banking, also has its eye more on the international

In 1988, 43 per cent of its total assets was accounted for by foreign earnings. Laender-bank and Die Erste, the country's oldest savings bank, both moved in the same direction, each with 37 per cent and 33 per cent of its assets coming

from international business. The greater emphasis on expanding into foreign markets seems to be an indication of the banking community's concern with the creation of the European Community's Single Market in 1992. Bankers say Austrians will be free to bor-there is every likelihood that row foreign currency from.





non-Austrian banks and will

National Bank when any loan exceeds three years. The limit

per cent and 53 per cent respec-

tively.

However, even if the Repub-

Sch 100,000 (\$7,600).

Wager, chairman of Laenderbank (above); and the farming banking sector's central

on money transfers out of the private hands are in fact noncountry has also been increased from Sch 50,000 to The reasons for this go back to 1957 when the then Finance The easing of these exchange controls will inevitably lead to greater competition among the Minister, Mr Reinhard Kamitz, cautiously privatised sections of these two banks. In each banks. But in addition, given case, the Republic sold off 40 per cent, but 30 per cent of those shares were non-voting and had a guaranteed divitheir comparatively small size, it has already opened up two major debates about Austrian banks' future ability to com-pete in an increasingly compet-itive international market. dend. The remaining 10 per cent was bought by politically reliable institutional investors. "That kind of privatisation ensured that political influence in the banks remained intact," The first of these debates is The first of the Socialist led Government's plans to sell off 19 per cent of its holding in Creditanistalt and in Laender-bank, in which the Republic holds a majority stake of 645 commented a Viennese bank

The feeling at the time was that the Austrians, scarred since the First World War by However, even if the Repub- would have to be wooed care-lic reduces its stake to 51 per fully back towards taking place at the same time as discussions about mergers,

STATE OF THE PARTY.

Hellmuth Klauhs (top left); Gerhard cent, or possibly reduces it still further, the banks will not be free of political influence, since many of the existing shares in

But times are slowly changing. As Creditanstalt and Leenderbank raise more share capideriank raise more many capital by issuing voting shares, clearly aiming at the magic 51 per cent figure, some of the country's top bankers relish the thought of being free from government interference in the appointment of the boards. But they readily admit that such interference can only disappear when the status of the non-voting shares are changed to full voting shares.

Any such decision depends on Mr Ferdinand Lacina, the Finance Minister who has to weigh up the ideological and political costs of such a transformation, with the prospect of the two main political parties losing their influence on the banks' managing and supervisory boards.

The privatisation debate is

nificant role in Austria's economy or banking sector. Plans are afoot to merge the Laenderbank with the Zentralsparkasse und Kommerzbank or Z, Austria's largest savings bank which is run by the politically powerful (socialist) City of

Both are very difficult animals. Laenderbank, with total assets worth Sch 213.9bn, has a growing international presence and an increasingly strong remains weak on financing, since its savings accounts are small. In contrast, Z, with assets exceeding Sch 221bn, has more than 2.4m savings accounts worth Sch 82.9bn. A merger, it is argued, would complement both banks. It would also entail the Republic completely selling off its stake in Laenderbank.

bly produce a spin-off effect since it would raise questions about the future structure of Girozentrale (GZ), the central bank for the country's 126 savings banks. One of the ideas being mooted is that Z, which holds 24 per cent of GZ's shares, would sell those shares to Die Erste, which owns 17 per cent of GZ, a move which would make Die Erste into a relatively powerful force in the savings sector.

But Mr Hans Haumer, the chairman of Die Erste, who next October moves over as chairman of GZ, also believes it is time to reassess the whole role of the savings banks. With much closer links between Die Erste and GZ, he advocates turning GZ into a holding company which would provide a much more flexible co-ordina tion of funds, resources and reserves as well as the possibility of the savings banks gaining the right to raise equity

Above all, a Laenderbank and Z merger, combined with changes in GZ, could produce a snowball effect on the other banks. Some bankers envisage a realignment of the banking sector with possibilities of marriages between Creditanstalt and the Postsparkasse (the postal savings bank) and between Raiffeisen (with a strong agricultural emphasis) and Volksbanken (the large credit institute).

PROFILE: HELLMUTH KLAUHS

Committed to deregulation

president of the Austrian National Bank, is determined to bring the country's banking system into line with European Community standards by 1990. Less than a year in Austria's best-paid public sector job, Mr

Klauhs has already embarked along the road towards deregu-lation and liberalisation of a sector which, for years, was noted for its lack of competitiveness and over-regulation.
Mr Kiauhs, aged 61, has
brought to the National Bank

31 years of experience from the Genossenschaftliche Zentralbank, the central bank for the agricultural banking sector. As chairman of that bank for 19 years, he is often regarded as a man more attuned to acting cautiously than taking bold, innovative steps.

Despite this reputation, he has surprised his colleagues in his commitment, if not conversion, to maintaining the pres-ent pace of deregulation. "Of course, it is not possible to do all these things in one step. However, we are moving along the road of deregulation in line with EC norms," he says. Mr Klauhs recalls decisions implemented last February

when, in one stroke, the National Bank swept away 40 regulations. In doing so, it permitted Austrians to acquire shares and interests in foreign companies, as well as allowing them to buy foreign property. Austrians are now also permitted to borrow abroad, in foreign currency, provided the term of the loan exceeds three years. However, short-term borrowing still requires the prior consent of the National

Speaking in his office in Otto Wagner Platz, named after one of Austria's finest architects of the turn of the century, he said that by the end of this year, restrictions on residents who want to buy gold bullion and foreign gold coins will also be lifted. In addition, he expects that the present requirement to deposit with an Austrian bank foreign securities purchased by residents, will also be lifted.

But Mr Klauhs realises that all such steps have to be care-fully weighed against political considerations. He has in mind

laws, which, along with Switzerland, are among the tightest

in the world. Under the current regulations, banks can be sued for damages or prosecuted for revealing to third parties information obtained as a result of their business relations with a customer. As for non-residents, they can acquire Austrian and foreign securities anony-mously. Such tight secrecy rules recently raised a few eye-brows in the US when Austria, because of its secrecy laws, was one of the few coun-tries which declined to sign the United Nations Drug Convention advocating stricter con-trols on money-laundering.

confident that Austria can get around this problem without compromising its special secrecy regulations or risking banks, he says, will in future treat anonymous deposits which are above a certain amount differently, depending on whether they come from Austrians or from foreigners.

But not all his attention is focused on making the country's banking system compati-ble with international standards. When asked about the National Bank's notorious reputation of recruiting personnel on the basis of parity between the Socialist and the conserva-tive People's Party, Mr Klauhs says the system will "eventu-

ally change".
The President of the National Bank himself is a victim (or beneficiary) of this system. As a result of bickering among the two main political parties, he was eventually appointed three months after Mr Stefan Koren, the former chairman, died in January

He has also turned his attention to the mint, which the Bank last year bought from the Republic for Sch Sbn. "We now want to control the volume of coins," he says, revealing that autumn a bullion coin for the Vienna Philharmonic and another to commemorate Gustav Klimt, Vienna's famous fin-de-siecle artist.

Judy Dempsey

the state item to be a second

European banks, whose nres-

ence is hardly noticeable in

Vienna, will move quickly into

Such possible developments

formed part of the background

to a significant deregulation of banking activities, introduced on February 1, which was almed primarily at bringing the Austrian banking system more into line with other West

The liberalisation measures

mean that Austrian residents

will be able to invest abroad

without the prior consent of the National Bank, Residents

will be free to buy insurance

policies from foreign insurers

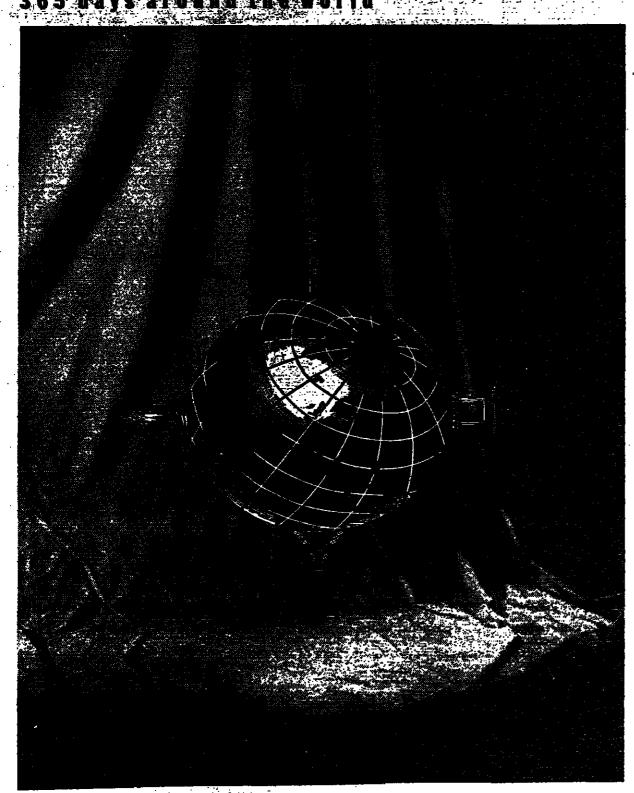
and invest in property outside

the country.
In addition, Austrians will be

able to acquire shares and interests in foreign companies. Borrowing has also been

relaxed to such an extent that

European countries.



From New York to Moscow. From Milano to Beijing. As a result of our customer oriented research & development activities, you'll find Chemic Holding AG (former Chemie Linz AG) serving the whole world. With highquality fine chemicals, with pharmaceuticals and with selective plant acroling protection products and fertilizers. We 're exporting 75 percent for of our products to 70 nations around the globe. Day by day. CHEMIE HOLDING AG

BANK WINTER & CO. A.G.

The Bank with reliable connections for international transactions EAST and WEST

Vienna 1010, Singerstrasse 10 **AUSTRIA**

Telephone: 51504-0

FAX:51504-213

Telex: 112662

of Austria's large and medi-

um-sized companies listed on the Borse, several of which

have produced excellent

annual results.
One of these is the Montana

group, which specialises in

financial services, mining and

biochemical products and its

chemicals subsidiary, Jung-

A year ago, trading in Mon-tana's stock, which rocketed from Sch 11,000 to Sch 19,000

and which is now traded at around Sch 33,200, often reached Sch 11m worth of

shares a day or about 50 per cent of the Borse's turnover. The initial surge in Montan-

a's shares was due to the favourable outcome of a court

case, but traders believed then

that its shares were underval-ued to begin with. In addition,

Montana and Jungbunzlauer's growing presence in European Community countries made it more attractive to foreign

bunzlauer.

In the midst of change to satisfy yet more creature comforts

TOURISTS from abroad are once again smiling upon Austria after several years during which their numbers stagnated or even fell. Last year foreign-ers' overnight stays in the country increased by 2.2 per cent to 88m and, in spite of an occasionally catastrophic lack of snow, the winter of 1988-89 was the best ever.

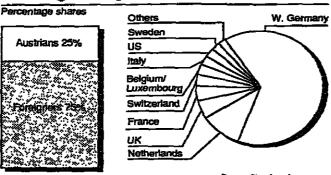
Good though these results were, they cannot disguise that the Austrian tourist industry world - is in the midst of a battle for structural change. Stays have become shorter. Demand for creature comforts has risen. In summer, an increasing number of tourists are dissatisfied with the traditional walking and swimming holiday which Austria has provided for decades. A greater variety of activity is required.

primarily to the summer season: the skiing boom continues to the point where the problem is not how to attract more visitors, but how to prevent the resorts being buried under the avalanche of tourists. Even in summer the limits of mass tourism have been reached unless the environment is to be

The watchword is more quality, which readily translates into more income from each tourist. The point of departure has to be the assets that made Austria into a tourist paradise in the first place: the cultural heritage appeals to both the sophisticate and the rubber neck. In 1987 the fortress overlooking Salzburg, home of the music festival, attracted more than 1.5m visitors and 1.3m made their way to the imperial palace of Schoenbrunn just outside Vienna.

In spite of the appeal of southerly beaches, the Austrian lakes remain an impor-tant drawing point. A few years ago there was a danger of increasing pollution, but great efforts have been made to clean up the waters. That made an important contribution to the rediscovery of Austria last summer because it contrasted favourably with stories of dirty waters in the

On the negative side, many been slow to adapt to demands Overnight stays in Austria 1988



Europe, behind London, Paris

and Rome Italians are espe-

cially prominent. Mrs Gerda

Suppanz, an economist with

Creditanstalt-Bankverein, Austria's biggest bank, says that

the Italians have discovered an

interest in languages and in

the Hapsburg past which they share with Austria. The wealthy Italian north still has

great potential for the Austrian

The seasonal nature of the

industry, but more so the

belief, quite recently wide-spread, that there was no limit

to growth goes far towards

explaining why the hotel industry is deeply in debt. Its overall indebtedness has multi-

plied by seven since 1970 to Sch 72bn (about £3.3bn) and is

giving some cause for concern.

ries, the hotel and restaurant

workers' trade union has

announced its intention to

campaign forcibly for a five-

day week. It is a critical area in the hotel and restaurant busi-

ness, but one should add that

Austrian trade unions - even when they are campaigning

forcibly - usually do so with velvet paws. Besides, in the weakest establishment, much

of the work is done by the

owner and his family who do

not belong to any union and often work for minimal finan-

Coping with these and the

other problems is a matter of

prime importance not only to

the tourist trade but to the

country at large. In 1988 for-

eign visitors spent about Sch

120bn in Austria making a con-

gross domestic product -

cial reward.

To add to the industry's wor-

industry.

for more comfort - and yet Austria has the reputation of being an expensive destination. How expensive it really is will to a great extent depend upon the tourist. A tourist willing to adapt himself to local custom and eating habits can save a lot of money. Even simple eating places usually have a skilled hand with local dishes. By the standards of, say,

London, luxury accommodation in Vienna is not unduly expensive. The language bar-rier need not confine the visi-tor to luxury establishments and tourist traps: English is widely understood. It is worth enquiring about passes for reduced fares on railways and other public transport, which are mostly excellent and punctual. In winter there are unfashionable regions in the north, where prices are low and the cross country runs good and uncrowded.

Progress made towards higher quality can be seen on the spot in the form of tennis courts laid out almost everywhere and an increasing number of golf courses. As regards accommodation, the number of beds available in four and five star hotels rose from 97,000 in 1978 to 131,000 in 1988. On the other hand, the number of beds in private quarters, though steadily receding, is still high: 250,000 out of a total of 1m

Some progress has been made with attracting visitors in the half season. But success is so far limited, even in the cities, in spite of the fact that city tourism is the latest trend in the industry. Vienna ranks fourth among tourist cities in

per country of the OECD. That income was nearly three times as much as the deficit of Sch 71bn in Austrian visible for-

eign trade. There is some speculation about the impact upon the industry of Austria's success – or failure – eventually to achieve membership of the European Community, espe-cially if the Twelve do achieve free movement of persons throughout the Community. Since visitors from EC countries last year accounted for almost 90 per cent of foreign-ers' overnight stays in Austria (no fewer than 64 per cent of the total from West Germany), any drastic consequences could come a matter of life and death for many a pension, ski lift or other tourist enterprise.

Such fears may well be exag-gerated: the Germans come cause Austria is close and because they have no language barrier to cross. That will not change. Dr Michael Rafflinger, of the Chamber of Commerce organisation, says that, if Austria eventually joins the Community, the tourist industry will have a more ample supply of workers from countries such as Italy or Portugal for jobs that appeal to few Austrians.

On the other hand, membership of the EC might eventually make Austria less easily accessible for Eastern Europeans and especially the Hungarians who at present require no visa. It is debatable how great the loss would be, even though Hungarians swarmed across the border this winter and spring to buy consumer dura-

The Austrian central bank estimates that in the six months until April, Hungarians spent some Sch 6bn in Austria. According to a Hungarian newspaper, on April 3 and 4 - just before the Hungarian authorities increased customs duties - 3,506 deep freezers, 5,664 video recorders, 4,013 colour TVs, 166 cars and a good deal else were carted across the border.

Losing that trade would be no disaster: some 90 per cent of those goods, measured by value, was imported into Austria from elsewhere. The benefit went mostly to the retailers.

VIENNA STOCK EXCHANGE

The Börse finally wakes up

A NUMBER of circumstances over the past year has woken up the Vienna stock exchange and has pumped new life into what was for many years one of the sleepiest institutions of its kind in Europe. Even the normally sceptical banking and business community in the Austrian capital expect the "Wiener Borse" to remain steady, if not buoyant over the

coming months. From being a fairly insignifi-cant exchange during the post-war period through to the mid-1980s, the Vienna Börse has gradually attracted back both the domestic and foreign insti-tutional investor. But in addition, it is slowly wooing back the thrifty-minded and cautious Austrian private citizen who, for the best part of this century, fought shy of the capital markets.

The gradual awakening started in 1985 and continued through to the following April, when the Vienna share index reached an all-time high of 296:19, thanks largely to a spate of foreign buying. Before then, the index hovered at

around 115. Curiously, the crash of October 1987 did not have as big an adverse effect on the Vienna stock exchange as it did on other exchanges. Its fall by only 16 per cent may well have been due to the fact that it was cushioned by the so-called "Klausel," under which no share could rise above or fail below 5 per cent in any single trading day.

Last January, however, the "Klausel" was increased to 10 per cent, confirming the newfounded confidence of the Börse. Some traders consider that it should now be scrapped altogether.

But until then, traders were not entirely confident that the Borse was fully awake. Such scepticism appeared to be justified when, in February of last year, the index fell dramatic-

the national carrier, OeMV, the oil and chemical group, and Vorarlberg Kraftwerk, a small utilities company in the west

of Austria.
In all, these new listings —
prometed by snappy and
highly professional advertising campaigns - coupled with several private companies going public or else raising their share capital, increased the Borse's total nominal value in

The Borse has gradually attracted back both the domestic and foreign institutional investor

ally into the doldrums, dipping to a low of 163.98. However, that turned out to be only a temporary nap. Soon there was a remarkable turnaround, con-firmed by the increase in trading on the exchange which rose from Sch 7bn in 1987 to Sch 7.6bn in 1988. That accounts for about a third of total turnover, two thirds of which is traded outside the

orse. The share index rose substantially, closing 1988 at 242.70 compared with 206.91 at the compared with 200.91 at the end of the 1987. By April 17 of this year, it had reached an historic high of 328.08. The Borse's re-awakening can be

explained by several factors. First, as part of its privatisation programme, the Socialist-led coalition Government last year sold off some of its stakes ties group, Austrian Airways,

Vienna Bourse: bankers expect trading to remain steady, if not buoyant over the coming months

1988 by Sch 6.21bn to Sch 24.49bn.
More significantly, the increase in the turnover of all the 176 listed shares, which pushed up the total traded in Austria by Sch 5.6bn to Sch 24.2bn was caused in part by

Austria by Sch 5.6bn to Sch 24.3bn, was caused in part by renewed foreign buying on the Vienna exchange.

Länderbank, the country's third largest bank was quick to spot this trend. A year ago, the bank put together a package of modium term investment. medium-term investment shares which included Austrian Airways, OeMV as well as the successful Constantia group. Within four months, the shares gained 15 per cent in schilling terms and 4 per cent in dollar terms. Nearly a year later, they have gained 65 per

cent and 50 per cent respectively. Another reason for the sustained upswing is undoubtedly

Finally, the tax reform, which was introduced last January and which was the first major overhaul of the system since the Second World War, provided people with more dis-posable income. The top income tax rate was reduced from 62 per cent to 50 per cent and the lowest rate from 21 per cent to 10 per cent. Company taxation was cut from 55 per cent to 30 per cent.

With more money in their pockets, people here are slowly becoming more adventurous with their savings," one trader commented. And there are a

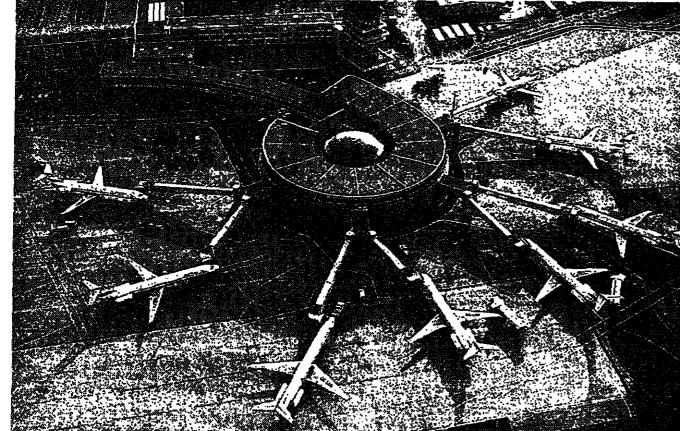
lot of savings.
The anti-risk mentality of the older generation of Austrians, who still remember the economic depression of the inter-war period, accounts for the high level of savings deposits, which exceed Sch 1,000bn. That explains why, until recently, less than 1.5 per cent of the population of 7m held But as a younger, more care-

free generation grows up, and with a government committed to expanding share ownership, attitudes towards buying shares are slowly changing. People are at long last discovering the Börse," a young trader commented. "Yes, I think we can say that the Börse's long sleep is finally





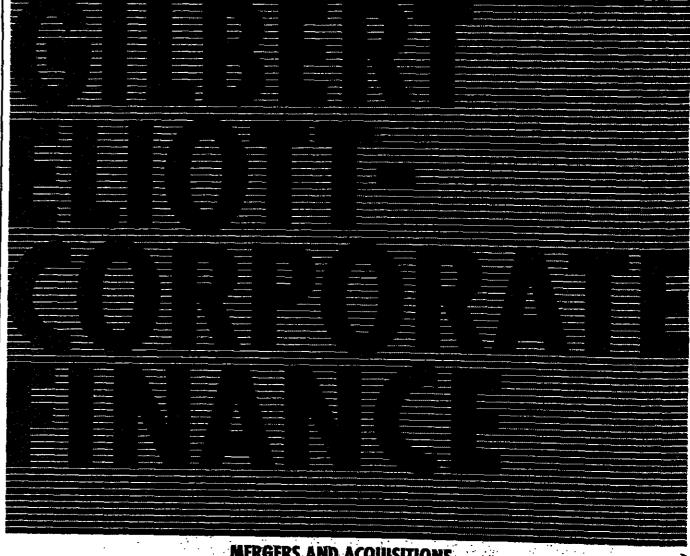
Tateway. As an excellent gateway for international air traffic, Vienna's airport is becoming increasingly important. Its advantages: central location, short transit times, speedy check-in, close proximity to all departure gates and Austrian Airlines' convenient connecting services to Eastern Europe and the Middle East.



See --- Best East Connections.



The Friendly way to fly.



MERGERS AND ACQUISITIONS, DEBT AND EQUITY-FINANCE, FLOTATIONS, GENERAL FINANCIAL ADVICE.

Gilbert Eliott Corporate Finance can offer its clients both the highest standards of confidential corporate advice and an unusually wide range of direct experience of the commercial, industrial and financial sectors.

Backed by the financial strength and extensive contacts of the Girozentrale Vienna Group, based in London New York, Zurich, Vienna, Hong Kong and Budapest.

Address: Gilbert Eliott Corporate Finance, Salisbury House (2nd Floor), London Wall, London EC2M 5SB, Tele phone 01-256 6151, Telex 888886, Fax (Groups 2/3) 01-374 0324.

Gilbert Eliott



Girozentrale Vienna